The CREDIT WORLD

OF THE NATIONAL RETAIL CREDIT ASSOCIATION

GUARD YOUR CREDIT AS A SACRED TRUST

NATIONAL RETAIL CREDIT ASSOCIATION FOUNDED 1912

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The CREDIT WORLD

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In This Issue

Four Feature Articles

	PAGE
Legal Principles Applicable to Retail Credit . . . . *George F. Quinn*	4
Regulation W "Scratches" on Furniture Demand . . *Paul H. Anderson*	11
The Bill-Collecting Problem . . . . *Paul D. Green*	13
Tucson Check Identification Plan . . . . *H. W. Kengla*	15

Six Other Highlights

Voluntary Advertising Standards	8
Charles M. Reed	10
Dakins Now Manages N.R.D.G.A.	16
Vancouver Credit Women Celebrate	16
National Membership Activities	17
Credit Flashes	18

Ten Departments

Local Association Activities	. . *Contributed*	20
The Factbilt Round Table	. *Harold A. Wallace*	21
Credit Department Letters . . .	*W. H. Butterfield*	22
Credit and Collection Procedure . .	. *Research Division*	24
Collection Scoreboard	. *Research Division*	26
Monthly Credit Statistics . . .	*Federal Reserve Board*	27
Granting Credit in Canada . . .	. *C. B. Flemington*	28
Business Conditions and Outlook .	. *LaSalle Extension*	30
In the News	. *Selected*	31
Editorial Comment	. *Earl Higgins*	32

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Legal Principles Applicable to Retail Credit

GEORGE F. QUINN, *Attorney,* Legal Counsel, Credit Bureau of Cleveland, Cleveland, Ohio

THE LAW, in one guise or another, affects the credit granters and the credit world. Consciously, or unconsciously, in every transaction, from the taking of the application to the ultimate payment of the account, you are treading your way through a maze of legal entanglements that may or may not ensnare you. Many can be avoided by proper knowledge and care on your part, but some are inevitable if a customer fails to perform his or her part.

The fundamental basis of every credit transaction is a contract which the law defines as an agreement between competent parties, supported by legal consideration and in a form, provided by the law, creating an obligation to do, or refrain from doing, a lawful act.

A contract has five essential elements which are:

1. Offer and acceptance,
2. Form and consideration,
3. Capacities of parties,
4. Genuineness of consent, and
5. Legality of objects.

A void contract is one which has no legal affect (Statute of Frauds). A voidable contract is one which can be avoided or set aside at the option of one or both of the parties (one infant or two).

There are three kinds of contracts, to wit:

1. Specialties, under seal;
2. Contracts of record, judgments; and
3. Parol and simple contracts.

First, we will take the usual and most common form, simple contracts. Assume that Mrs. Ben Sapp needs some dresses, clothes and other household items. Not being able to pay cash for them she decides to open a charge account. She goes to the credit department of the store and fills out a credit application. The taking of a credit application is but a routine procedure, however, it is of vital importance. Mrs. Sapp is seeking a favor from you. She wants the privilege of buying your merchandise on credit, therefore, generally speaking, she is willing to give you almost any information you may ask. It is well to avail yourself of this opportunity and get all the essential and pertinent information possible, for the day may come, if she defaults in her payments, that you will use this information in collecting the account.

When you have all the necessary information filled in, the final step is the signature. This should be signed as Mrs. Mary Sapp, not as Mrs. Ben Sapp. If she alone signs the application, the contract is between the store and Mrs. Mary Sapp. If the husband is along, have him sign the application too, because the more signatures you have, the more people become parties to the contract and become legally bound thereby.

In many instances, the wife's signature is better than the husband's, since many husbands put all of their property in their wife's name. This is particularly so if their occupation is such as might involve them in litigation. It is possible, under some circumstances, for the husband to become an unwilling part to the transaction, even though you do have his signature on the contract. If he did not sign the credit application he is not a party to the contract; nevertheless, the law may hold him legally responsible for the account under his statutory liability. The laws of Ohio are known as statutes. One of them, General Code No. 8003, provides as follows:

> If the husband neglects to make adequate provision for the support of his wife, any other person, in good faith, may supply her with necessities for her support, and recover the reasonable value thereof from the husband.

This means that a husband must pay for all accounts and bills incurred by his wife for necessaries, when he fails to provide either the items themselves or the money, even though he did not sign the credit application and was not a party to that contract.

In one case, the court held that a yacht was a necessary for a wife since it was essential to her social position or station in life. One of the most interesting points of law, from a credit granter's view, is the question of when, and under what circumstances, is a husband liable for necessaries furnished to his wife. To put it another way, when is the husband released from this statutory liability and the wife herself held for such charges?

A review of some leading cases in Ohio may be helpful in clarifying this rather complicated legal question and, through case histories, fix more vividly the rules applicable. First consider a case in which the court held the husband responsible on the theory of necessaries. Under the General Code 8003, that is the case of P. H. Harmon Co. vs. J. E. Thornton, 28 N. P. (N.S.) 586, decided August 1, 1931.

Wife Is Agent for Husband

In this case, a wife, while living in the same house with her husband, but under strained relations, purchased a rug for $120.00 on his account at P. H. Harmon Co. The following day, suit was filed for divorce. The husband, who continued to live in the house and hoped to affect a reconciliation, failed to notify the merchant to take the rug back. The husband must be held to have ratified the account, notwithstanding the wife misrepresented to him that someone else had bought it for her, since the husband was in a better position than anyone to know whether his wife was telling the truth, because the P. H. Harmon Co. was without knowledge of the estrangement. The court further held that the $120.00 rug, purchased to replace one that had been in use for eleven years, for a home valued at $8,500.00, in which the husband was earning from $70.00 to $80.00 a week, was a necessity which the wife could purchase as agent for her husband.

Another question which frequently arises, has reference to the liability of the husband for services rendered to his wife by a physician who was called in as a consultant by the attending physician without specific authorization by either the husband or wife. This question was thoroughly discussed in the case of Harold F. Downing vs. Max Goldberg, F. X. Baurichter vs. Gordon Crane, 29 nisi

prius (N.S.) 162. In this case, a surgeon performing an emergency operation on the defendant's wife, required the services of an anesthetist, without whose attendance he could not legally perform the operation. The court held that a husband, who is liable for medical services as necessaries, can be held under the doctrine of implied contract for the reasonable value of the services of the assisting physician.

In commenting on this theory of liability, the court cited the broad theory of the law as stated in the case of Cotnam vs. Wislow, 83 Ark. 601, in which the court said:

> Where physicians are called in to attend a person injured in an accident, and in the effort to save his life, they performed an operation on him, while he was unconscious, and he died without regaining consciousness, the law implies a contract on his part to pay a reasonable compensation for their services.

Another question that frequently causes difficulty is on the liability of a husband for the funeral expenses of his wife, when she dies leaving a will directing that the funeral expenses be paid out of her estate. This question was resolved in the case of Lee vs. Hempy, 35 O. A. 402, in which the court held that, under the common law, the surviving husband was primarily liable for funeral expenses of his wife, and such liability has not been abrogated by statute, and further, notwithstanding the fact that the wife left an estate sufficient to pay her funeral expenses, and by will, duly probated, directed her funeral expenses to be paid out of her estate, the surviving husband held liable for wife's funeral expenses.

So that you will not get the wrong impression or draw a false conclusion, it should be pointed out that the Lee vs. Hempy case was decided on December 26, 1929. Under the new Probate Code, which became effective January 1, 1931, it is provided in General Code 10509-125, that a husband is entitled to reimbursement from the estate of his wife for her funeral expenses, if paid by him, to the extent that the rights of other creditors of the estate will not be prejudiced by such reimbursement. See Guthrie, in re 28 nisi prius (N.S.) 447.

Defendant Herself Became Liable for Bill

An interesting case arose when the Higbee Co. sued Olive Stafford Crum on an account for $1,031.47. (See Higbee Co. vs. Crum, 27 O. A. 107). She was a scion of a wealthy family and a society girl. Her father was one of the wealthiest men in Cleveland, Ohio. The husband's status is best described by quoting from the case:

> Mr. Crum is not a man of means; that he is a young lawyer, whose credit might be anything but good, and it is hardly supposable that a concern like The Higbee Co. would extend unlimited credit to a young man, who had no means except such as a struggling lawyer might earn.

At the time of trial of this case, the defendant, the wife, filed an amended answer in which she alleged:

> At the time of the contraction of the account for which suit was brought, the defendant was a married woman, living with her husband, A. Phelps Crum, and that the goods purchased were necessaries for the family and that he, not she, was responsible for them, or words to that effect.

The records further discloses the fact that Clyde C. Kortz, Credit Manager, Higbee Co., testified that the bills all showed the account to be in the name of Mrs. A. Phelps Crum, that the charges were made against her on sales slips, which she signed. The correspondence between the Higbee Co. and Mr. Stafford (Mrs. Crum's father) and the testimony of Mr. Mierke, show clearly that it was expected that Mrs. Crum, not Mr. Crum, would pay this debt, and the company's books showed the account in Mrs. Crum's name.

The court then said:

> We think the evidence clearly rebuts the presumption that this bill was chargeable to him, and we do not understand, even if these goods were necessaries for the family, that Mrs. Crum cannot by her expressed contract or by an implied contract, make herself liable for them.

The court concluded by saying that the evidence shows the defendant herself had become liable for this bill. Case reversed and recommended for a new trial.

Another leading case in the state of Ohio, involving the doctrine of necessaries and dealing with medical services rendered to a wife, is the case of Tille vs. Finley, 126 O. S. 578, decided May 31, 1933. Dr. Robert Finley rendered medical services to Grace Tille, a married woman. He charged Grace Tille for the services and entered the charge on his account book. The reasoning of Judge Stevenson in this case is interesting and enlightening. He said:

> In their briefs, counsel have quoted excerpts from the record, and they are correct. Medical services and attention are necessaries. In years gone by, the courts of Ohio and other states were inclined to hold that the marriage relation created an unconditional liability on the part of the husband for necessaries furnished the wife, and, at that time, there was strong reason why the courts should so hold. In those days the wife was mother, matron and maid. She was likewise shackled to her husband by the common law. If she performed the duties required of her in her triune capacity, she has no independent earning power, and her right to her keep was absolute. The law did not go beyond the obligation imposed by the marriage contract in fixing the liability, and the duty of the husband to furnish the wife with the necessaries of life was none the less absolute.
>
> As women gradually entered man's former sphere, the law in its wisdom relaxed its requirements so far as the man and husband was concerned. It shifted some of the responsibility from his shoulders to the shoulders of the woman and wife.
>
> In Ohio this gradual process of alleviation has changed the husband's duty to furnish his wife necessaries from an unconditional to a conditional duty. Consequently, the liability arising from a breach of this duty is conditional.

The Judge then quotes from the original trial court record. After citing 13 Ruling Case Law, 1200, Section 233, he adopts the following rule:

Though there are decisions to the contrary, the better view seems to be that, in order to render a husband liable for necessaries furnished his wife, they must have been furnished on his credit. We are content to follow the current of authority and hold the husband not liable for debts contracted upon sole responsibility of his wife. We regard this as a clear, succinct statement of the law, and the dissenting Judge in the instant case was right in his pronouncement.

In conclusion, Judge Stevenson summed up the case in the following language:

This court, coming now to finally determine this case, finds that Dr. Finley furnished medical services as claimed by him to Grace Tille, at her solicitation and request; that he extended the credit to Grace Tille, and that he looked to Grace Tille alone for his pay; and that Harry Tille was the husband of Grace Tille at the time the services were rendered. Under this state of facts, there is no liability on the part of Harry Tille to pay Dr. Finley for medical services rendered to Grace Tille.

Husband Not Liable for Necessaries

Another leading case involving a store in Cleveland, Ohio, was the case of Wm. Taylor Son & Co. vs. Burton (46 O. A. 398). This case clearly exemplifies a situation in which the husband is not liable for alleged necessaries furnished his wife. The following quotation from the Court's opinion indicates the Court's reasoning:

In view of the unrefuted evidence of the defendant that he had at no time authorized the opening or carrying on of the account with the plaintiff corporation, that he had furnished his wife all the cash she needed, and that he can find no record of any bills embracing the items of the plaintiff's claim, we are of the opinion that the decision of the Supreme Court, in Tille vs. Finley, 126 Ohio St., 578, 186 N.E., 448, is in point, and we conclude that no prejudicial error occurred in the erroneous exclusion of the ledger from the evidence. Quoting from the syllabus:

1. A husband is not unconditionally liable for necessaries furnished his wife.
2. To render a husband liable for necessaries furnished his wife, they must have been furnished on his credit.

The ledger account of the plaintiff appears in the name of Gladys Thayer Burton, the wife, and not in the name of William J. Burton, the husband. The ledger account speaks for itself. It speaks against Gladys Thayer Burton. It does not speak against William J. Burton.

I hope that, from the above cited cases, you have gleaned some light on one of the law's most troublesome problems. If there is still doubt in your mind, do not be too disturbed because the courts themselves change their position and thinking from time to time, and while you may be wrong at the moment, you will probably be right if you wait long enough.

Another feature that frequently causes trouble in credit granting to married people is when trouble develops and a divorce is filed. A divorce action is legal notice to all credit granters to watch the account closely because the doctrine of a husband's liability for necessaries may then be, and usually is, qualified and restricted. The court, following the filing of the divorce, usually sets a figure as temporary alimony and support for the wife during the pendency of the case. If the husband pays the sum set by the court, he cannot be held liable for any additional obligations contracted by his wife and any store extending credit under these circumstances does so at its peril. This was decided in an early case in the Supreme Court and is still the law. The case was Hare, et al., Admrs. vs. Gibson, in which the Court held:

Where a wife is living separate and apart from her husband, and in a suit against him for divorce and alimony, has obtained a decree fixing the amount of alimony to be paid by the husband for her sustenance during the pendency of her petition, and the husband is not in default in respect to the payment of the alimony so allotted, he is not liable for necessaries subsequently furnished at her request during the pendency of her petition.

Persons dealing with the wife, under these circumstances, do so at their own peril, and are chargeable with knowledge of the allotment and payment of the alimony.

The adequacy of the alimony decreed in such case, cannot be collaterally drawn in question, especially by a stranger to the suit.

Many marriages today are between minors or infants as they are known in law, persons under the age of 21 years. Great care must be exercised in dealing with infants. It is well settled that all contracts of an infant, except those authorized by law, those entered into in the performance of a legal duty, and those for the purchase of necessities, are avoidable at the election of the infant, and may be disaffirmed by him upon reaching his majority or within a reasonable time thereafter. The fact that the infant falsely states his age to be 21 or older does not mitigate against him and he can still avoid contract on the grounds of infancy. This is a harsh rule and shows to what extent the law goes to protect the infants from unscrupulous people who might attempt to take advantage of them. The leading Ohio case, which shows the extremes to which the law goes in carrying out this principle and also indicating the rights of the creditor, who deals with the infant, is the case of Mestelsko vs. Elf Motors in 119 O. S. 575. We quote therefrom:

The welfare of the infant is the law's first consideration, and it is the settled policy of the law to protect an infant against liability upon his contracts, whether provident or improvident, on the theory that his mind and judgment are immature and need to be sheltered from their own imprudence and folly. This protection, however, is a shield and should not be permitted to be employed as a sword.

The court held in that case that the vendor may, in a proceeding by an infant after attainting his majority to disaffirm his contract for the purchase of an automobile made under a fraudulent misrepresentation as to his age, and to recover the money paid thereon, be allowed to set off a claim for injury done to the car by the infant's tortious acts to the extent of the infant's claim. The court further held that the infant is not by such misrepresentations of his age estopped to deny the validity of his contract, but held him subject to the equitable maxim that he who seeks equity must do equity.

The court therefore held that, seeking to disaffirm and avoid his contract, the court should deal with him as it would with any adult party, and should require him to restore what he received when he parted with the property which he seeks to get back, and this the more especially where it appears that the other party dealt with him in ignorance of the fact of his nonage. The court further held that the amount of the vendor's damage could only be allowed in abatement or diminution of the infant's claim, and that the vendor could not in any event recover an affirmative judgment.

Some Firms Require Guarantees

Some firms require new applicants, whose credit is doubtful, to furnish guarantees. These are separate contracts or agreements wherein some third party agrees to pay the applicant's account in the event he fails to pay it. Guarantees are usually limited in their terms as to amount and time. A guarantee not dependent on any condition or contingency expressed in or implied from the contract is in legal effect an absolute guarantee. It is an unconditional undertaking on the part of the guarantor that the debtor will pay the debt or perform the obligation.

As an example, a guarantee reading: "For and in consideration of your extending credit to Ben Sapp, I hereby agree to become responsible for payment of bills made by Ben Sapp. This guarantee to be good at any and all times

on any bills or balances that may be due you or become due." This is an absolute guarantee.

The leading case on absolute guarantee is Snyder vs. Hurdley-Pierce-Anderson Co. 23 Cir. Ct. (N.S.) 599, affirmed in 91 O. S. 375, in which the Court held:

> Where, in consideration of credit to be extended to a third person, one signs a writing by which he agrees to become responsible for the payment of all bills incurred by that person and states that the guarantee is good at any and all times, on any and all bills or balances due or to become due, said writing constitutes an absolute guarantee and notice of its acceptance and extension of credit is not necessary.

If the account is not paid when due and all efforts to collect it fail, it is usually referred to the Credit Bureau of Cleveland for attention, and if this fails to produce results, the store then refers the account to its attorney, who files suit against the customer. This brings us to a consideration of the Statute of Limitations. This term, Statute of Limitations, means that the law has set a time limit on how long you can delay in filing a suit to recover on any cause of action.

In the case of book accounts, such as the above, the Ohio statutes (General Code 11222) prescribe that these suits must be filed within six years from the date of last purchase or last payment; in other words, if the account is over six years old, it is outlawed and is uncollectible by suit. In this respect, it is well to remember that any payment, voluntarily made or written promise to pay, will extend the time (General Code 11223) or as the courts say, "Will toll the Statute of Limitations," and it starts to run all over again from and after said payment date or the date of the written promise.

In the case of suits by or against infants, as we have previously defined them, the Statute does not begin to run until they reach maturity, i.e., 21 years of age.

The law prescribes a different period of time for different causes of action, i.e., suits for slander and libel must be filed within one year (See General Code 11225); personal injury or property damage have a two-year statute (See General Code 11224-1); certain torts, like trespassing upon real property, recovery of real property, etc. (See General Code 11224), are four years, while written contracts are 15 years (See General Code 11221). It must be borne in mind that these Statutes differ in each state and reference to the laws of the particular state must be made to determine each case.

Thoroughness in Opening the Account

It is when collection efforts are being made or judgments are being enforced that the original credit application comes into play. If this was properly and thoroughly filled out, it should contain most helpful information to aid in the prompt collection of the judgment, such as place of employment, banking connections, title or ownership of real estate or personal references to aid in locating the debtor if he has skipped. So, too, if a guarantee were taken originally and is still enforceable, slight pressure on the guarantor usually brings prompt results. The keynote to the whole procedure is thoroughness in opening the account, a fundamental knowledge of the legal factors involved and diligency in applying them.

It might be well to outline briefly the procedure incident to collecting an account by and through action filed in court. Most actions to collect on accounts are filed under the short form of pleading, which merely means that the petition does not attempt to set out the complete story or set of facts, namely, that the defendant is indebted to the plaintiff for a specific sum of money, that demand for payment has been made and refused and that a copy of the account is attached to the petition and made a part thereof. To this the defendant or debtor may file an answer setting up his defense or reason for not paying the account. If he fails to file an answer by the day set, a default judgment is against him.

If an answer is filed, plaintiff may and must file a reply to the answer, if affirmative matter is alleged in the answer. The issues are then said to be joined, that is, both sides have stated their case and it is then set down for trial. When the trial date arrives, both parties and their counsel appear in court and proceed to introduce their evidence to substantiate their respective claims.

The Uniform Evidence Act

It is worth noting that under the old law, in order to prove the account, it was necessary to have as witnesses the various individuals who made the specific entries in the account book. This was most difficult, due to changing personnel and modern accounting practice. The Legislature recognized this fact and enacted a uniform evidence act as provided in Section 12102-23 of the General Code, which reads as follows:

> *What records are competent evidence?* A record of an act, condition or event, shall, insofar as relevant, be competent evidence if the custodian or the person who made such record or under whose supervision such record was made testifies to its identity and the mode of its preparation, and if it was made in the regular course of business, at or near the time of the act, condition or event, and if, in the opinion of the court, the sources of information, method and time of preparation were such as to justify its admission.

This law has greatly simplified the court procedure and has recognized the change in business procedure and is equally fair to both parties. After all evidence is in, the court or jury decides the case and enters judgment for either the plaintiff or defendant. Then, if the party does not pay the judgment and no appeal is taken, the judgment is collected by means of a proceeding in aid of execution. This may take the form of a garnishment against the debtor's salary, an attachment of his bank account, his automobile or his household furnishings or a transcript of the judgment may be filed in the County Clerk's Office and the judgment becomes a lien against his real estate. A judgment debtor can also be required to come into court and submit himself to an examination, under oath, to determine what, if any, assets he does possess out of which the judgment might be paid.

The last thing a credit man likes to talk about is bankruptcy. This is a special piece of remedial legislation enacted by Congress, and therefore, a federal, rather than a state law. Its purpose fundamentally is laudatory; that is, to give one, who through bad judgment, rather than bad faith, has become so emersed in debt that he cannot possibly extricate himself. He is permitted by the laws of bankruptcy to file a petition, in which he makes a full disclosure of all his assets and liabilities. At the same time, the creditors elect a trustee, whose duty it is to administer the estate of the bankrupt in such a way as to salvage, if possible, something for the creditors.

The two forms of bankruptcy are voluntary and involuntary. Voluntary is when the debtor goes in and seeks the protection and benefits of the Act himself. In-

Voluntary Advertising Standards

VOLUNTARY STANDARDS for advertising consumer credit were recently drafted by representatives of business groups and Better Business Bureaus. These standards are similar, with a few minor exceptions, to those drafted by a similar group at the time Regulation W was first put into effect. The purpose in drafting these standards, in both cases, was to forestall any federal regulation of advertising consumer credit. Advertising is not covered by Regulation W, and there seemed to be some danger that some advertising practices might lead to the inclusion on advertising in the regulation. The standards are strictly voluntary, but they were scrupulously observed by the greater part of business subject to the regulation. The standards follow:

1. No advertiser shall make any statement about credit terms which is false or misleading or which tends to frustrate Regulation W.

2. No advertiser shall make any offer or representation which states or implies that loan or credit terms are available, which in fact are not obtainable under Regulation W.

3. No advertiser shall use any statement which states or implies that loan or credit terms, permitted by Regulation W, under special circumstances or in limited cases only, are available generally.

4. No advertisement shall be so constructed, typographically or otherwise, as to create the impression that credit terms featured apply to all merchandise, loans, credits or services offered in the advertisement, when such is not the fact.

5. No advertiser shall offer allowances or credits, including trade-in allowances, which are fictitious or exaggerated or in any way tend to mislead.

6. When installment credit terms are advertised as specific amounts per week or per month, the advertiser shall refer to the fact that a down payment is required, if such be the case.

(NOTE: It shall be deemed satisfactory, in complying with this standard, if an advertiser adopt any one of the following methods of compliance.

a. Name the amount of the down payment specifically.
b. Name the percentage of down payment required.
c. State, without qualification, that a down payment is required.)

7. No specific down payment shall be quoted in an advertisement which is less than the amount required in Regulation W.

8. When offers to lend money for the purchase of listed merchandise are advertised, the advertiser shall refer to the fact that such loans are limited to only a portion of the purchase price or to the purchase price after the down payment.

9. No advertiser shall refer to an installment credit as a charge account. Installment credit is defined by Regulation W to mean "an extension of credit which the obligor undertakes to make two or more scheduled payments or as to which the obligor undertakes to make two or more scheduled payments or deposits usable to liquidate the credit, or which has a similar purpose or effect."

10. No advertiser shall employ the phrase "No money down," or its equivalent, in connection with a charge account.

(NOTE: For the purpose of these Standards the term "Advertiser" shall include all who sell or lend by printed or oral representations.) ★★★

voluntary is where three or more creditors file the petition in bankruptcy and force the debtor into bankruptcy. The one we will consider is the voluntary because it is the most common form and the one credit granters most frequently encounter.

When voluntary petition in bankruptcy is filed in the Federal Court, it is referred to the referee, who sends notice thereof to all the creditors listed and sets a date for the first meeting of creditors. Even though they frequently do not, they should attend this meeting, and if their claim is unsecured and over $50.00, it is a voting claim and entitles them to vote for and elect the trustee. The party, having the majority of claims in number and amount, names the trustee. It is the duty of the trustee to examine the bankrupt and determine if he has made a full disclosure of all his assets or whether he has fraudulently concealed some which is frequently the case. The trustee has the right to subpoena anyone whom he thinks may have property or assets belonging to the bankrupt. If it so develops, the trustee can obtain an order against the party requiring him to turn the property over to the trustee.

Most bankrupts are theoretically, if not factually, honest, but the records are full of many instances where people deliberately load up with merchandise and jump into bankruptcy seeking to wipe out the legal obligation to pay for the goods and, at the same time, retain the ill-gotten gain. The law permits a person to go into bankruptcy only once every six years and the records will show that a few individuals have made it a practice of doing so every six years. Others do not even wait the six-year period, but try to slip through in three or four years. Under the present system, established by the Credit Bureau of Cleveland, Cleveland, Ohio, it is no longer possible to slip through, because each name is checked against the prior filings to determine if it is within the prohibited six-year period. A number have been uncovered and thereby denied a discharge. It is worth noting that, if a bankrupt is denied a discharge, he is forever barred from listing or being discharged from the debts appearing or listed in that proceedings. If more credit granters would avail themselves of the rights and privileges given them under the Bankruptcy Act, more fradulent debtors would be brought to light and creditors would receive some dividends. As long as creditors ignore the bankrupts, the bankrupts will continue to take advantage of the opportunities permitted under the Bankruptcy Act. ★★★

Charles M. Reed

November 25, 1881 **September 27, 1948**

THE CREDIT FRATERNITY mourns the loss of its most outstanding member, Charles M. Reed, who passed away the morning of September 27, after an illness of several weeks.

Although he was stricken with a heart attack several years ago, since which he has been under the constant care of his physician, Charlie continued his credit activities to a limited extent.

He was Secretary-Manager of the Retail Credit Men's Association of Denver for 29 years, and Secretary of the Credit Bureaus of the Rocky Mountain States for 24 years.

Charlie was enthusiastic about the International Conference held in Banff, Alberta, Canada, last June. While he was disappointed that he could not proceed to Vancouver and then South, because of flood conditions in the Northwest, he and Mrs. Reed enjoyed several days in Winnipeg enroute home. He often referred to the enjoyable trip on the special train to Banff, meeting old friends, the beauties of Banff and the delightful hotel in which the conference was held. He mentioned that, in his opinion, it was the finest conference in the history of the National Retail Credit Association and the Associated Credit Bureaus of America. Charlie was required to rest each afternoon, but managed to attend the most important sessions, as well as Directors' and committee meetings.

Charlie, a native of Louisville, Kentucky, was a member of the Masonic Order and continued his membership in Robinson Lodge, No. 266, of that city. He was a member of Consistory No. I, Commandery No. 2, Denver Chapter No. 25.

Charles M. Reed enjoyed the distinction of having served as President of three national organizations; National Retail Credit Association, 1934-35, National Consumer Credit Reporting Corporation, 1936-37, Associated Credit Bureaus of America, 1937-38, the only person so honored. At the time he assumed the Presidency of the National Retail Credit Association, in June, 1934, the affairs of the Association were such that much hard work was necessary to change the tide, but Charlie was equal to the challenge. Before the end of his term of office the Association was in sound financial condition and there had been a substantial increase in new members.

Charlie contributed generously and enthusiastically of his time. He was untiring in the interest of retail credit and his constructive influence in his chosen field of endeavor will be missed by his many friends among retail credit executives, credit bureau managers, and retailers of North America.

To Mrs. Reed, his daughter, Mrs. Eleanor Metzger, his sons, Harry and Walter, and his sister, Mrs. Edna Crain of Los Angeles, we extend our sincere sympathy in their bereavement.

L S Crowder

Regulation W "Scratches" on Furniture Demand

Paul H. Anderson, *Professor of Marketing,* Loyola University of the South, New Orleans, La.

THE RELATIONSHIP between the demand for furniture and the recent revival of consumer-credit controls is scrutinized in this paper. A careful study of this relationship indicates that the demand for furniture should remain firm despite the reimposition of Regulation W.[1] The revival of this regulation should discourage furniture retailers and others from using easy consumer credit as a competitive instrument. This means that retailers probably will have to increase some other services to consumers in order to meet competition.

The connection between the demand for furniture and Regulation W is investigated, in this paper, under six major titles. The development and presentation of these titles are made in the following order:

1. Regulation W versus inflation.
2. Ratio of instalment sales to total retail sales.
3. Ratio of instalment to total sales of furniture stores.
4. Fraction of total instalment debt held by furniture stores.
5. Factors that influence the current demand for furniture.
6. Impact of credit curbs on furniture retailers.

Title I of the the Anti-Inflation Act of 1948 deals with consumer credit.[2] This Title provides for the revival of Regulation W, by which the Board of Governors of the Federal Reserve System exercised control over consumer credit from September 1941 until August 1947. The flow of consumer credit is restricted in this regulation by limiting the capacity of consumers to borrow. This regulation does not curtail the supply of credit available.

Most economists believe that Regulation W will be beneficial for the nation's economy. These economists have reasons for believing this. They point out that additional funds are added to the spending stream when credit is created to finance the purchases of consumers. An increase in funds normally brings about an equivalent increase in the output of goods. Under present full-employment conditions, however, an increase in output is difficult to accomplish. Swelling the spending stream under present conditions means additional upward pressure on prices. Consequently, consumers do not get more goods, instead they are compelled to pay more dollars for the goods they purchase.

Regulation W provides for (1) minimum down payments that must be made by consumers, and (2) maximum time limits for the maturity of instalment payments.[3] Less credit creation takes place when a consumer pays a larger proportion of the purchase price. Hence, the requirement of a minimum down payment discourages the creation of credit. The credit created in an instalment purchase is withdrawn when the debt is paid off. Credit withdrawal is speeded up by the shortening of maturities. The maximum limits on instalment maturities are designed to do precisely this job, that is, to speed up credit withdrawal.

Both requirements mean less credit creation which in turn leads to a reduction in inflationary pressure. These requirements work a hardship on some consumers, but as part of an over-all attack on inflation, they should contribute to the welfare of consumers and of the community.[4]

The importance of instalment sales relative to total retail sales in the United States can be established mathematically. This importance is measured by taking the ratio of total instalment sales in the United States to total retail sales.

Total retail sales for the entire year 1947 are estimated at about 118 billion dollars.[5] About 7.0 per cent of this total is represented by instalment sales.[6] During the 13-year period beginning with 1935, instalment sales in any year did not exceed 13.0 per cent of total retail sales or drop below 3.0 per cent.[7] The high point (13.0 per cent) was reached in 1940, the low (3.0) per cent in 1944 or 1945.

Observe that instalment sales as a percentage of total retail sales were highest prior to the imposition of Regulation W which became effective September, 1941. Notice also that this percentage figure reached its lowest point while Regulation W was in force. However, only a small part of the percentage drop can be attributed to Regulation W. The major cause for the percentage decline was the shortage of consumers' durable goods.

Spending habits of consumers also stress the significance of instalment selling to our economy. For example, a survey by the Board of Governors of the Federal Reserve System discloses that one out of every four, or approximately 12 million spending units, bought on the instalment plan during 1947.[8] Spending units for consumers' goods consist of both families and individuals. But for furniture, the spending units are families for the most part.

The figures which have been presented up to this point show the ratio of total instalment sales to total retail sales in the United States. This ratio serves as a barometer which measures the importance of instalment selling relative to the nation's total retail trade.

Focus your attention now on the furniture trade, a leader in the use of the instalment plan. The extent of

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[1] *Consumer Instalment Credit, Regulation W, Effective September 20, 1948* (Washington, D. C., Board of Governors of the Federal Reserve System).

[2] "Summary of Anti-Inflation Act of 1948," *Congressional Record—Senate,* Vol. 94, No. 121 (July 29, 1948), p. 9633.

[3] Harry W. Ketchum, "Credit Problems with Expansion of Consumer Debt," *Domestic Commerce* (September, 1947), p. 1 ff.

[4] "Summary of the Anti-Inflation Act of 1948," loc. cit.

[5] *Survey of Current Business* (April, 1948), p. S-7.

[6] "Consumer Credit Trends," *Federal Reserve Bulletin* (August, 1948), p. 901.

[7] Data for 1935-1938 from *Retail Credit Survey* (Washington, D. C., U. S. Department of Commerce), 1939. Data for 1939-1946 from "Retail Credit Survey—1946," *Federal Reserve Bulletin* (July, 1947), p. 820. Data for 1947 from "Consumer Credit Trends," *Federal Reserve Bulletin* (August, 1948), p. 901.

[8] "Consumer Credit Trends," *Federal Reserve Bulletin* (August, 1948), p. 901.

instalment selling in this trade is exemplified by two surveys.

The first of these surveys provides data for the year 1938.[9] It reveals that furniture stores topped all retail classifications in the ratio of their instalment sales to total volume. It shows also that time payment purchases accounted for 73.3 per cent of total sales by furniture stores.

The second survey, based on a sample of 1,032 furniture stores, discloses that instalment sales represented 53 per cent of their total sales during 1946.[10] This percentage figure is not applicable to all furniture stores because the sample did not include stores which operate on a strictly cash basis.

Recall that total instalment sales have not exceeded 13 per cent of total retail sales in any year since 1935. Compare this percentage figure with the experience of furniture stores. This comparison should convince you that the ratio of instalment sales to total sales has been higher for furniture stores than the average figure for other kinds of retail businesses. Reimposition of Regulation W consequently should be much more significant for furniture stores than for other kinds of retail stores.

During 1947 the instalment-sale debt of furniture stores in the United States averaged about 20 per cent of the total instalment-sale debt.[11] The instalment-sale debt of furniture stores stood at 352 million dollars in January, 1947. It fell to 349 in February, 1947, but advanced monthly thereafter. A peak of 528 million dollars was reached in December, 1947. For purposes of comparison, observe that the total instalment debt moved upward steadily during the entire year 1947. Starting from a low of 1.57 billion dollars in January, 1947, it advanced to a December, 1947, year peak of 2.84 billion dollars.

Importance of Instalment Selling Plan

The foregoing data should help to explain the importance of furniture stores in the instalment plan of selling. Their dependence on instalment selling makes them feel highly vulnerable to the provisions set forth in Regulation W.

Several factors have shaped or conditioned the present demand for furniture. These factors include: (1) rate of family formation, (2) volume of new housing construction, (3) purchasing power of consumers which includes both savings and present income, (4) deferred demand from the wartime period, (5) confidence of consumers in the future, and (6) Regulation W.

The relative importance of a factor in this group is not reflected by the order in which it has been named. Let me emphasize that none of the factors is independent of the others. Unscrambling them would be about as easy as solving the riddle, "Which came first, the chicken or the egg?"

Regulation W probably ranks no higher than fifth. New housing construction, in my opinion, is the most important factor in this group. The relationship between construction activity and furniture sales can be established statistically.

In this connection personal-consumption expenditures for furniture may be compared with the expenditures for new, privately constructed, nonfarm dwelling units. Personal-consumption expenditures in the United States for furniture were 1,167 million dollars in 1929, 486 million in 1932, and 2,170 million in 1946.[12] The corresponding expenditures for construction activity were 2,797 million dollars in 1929, 462 million in 1932, and 3,300 million in 1946.[13]

These figures have led me to believe that the two series followed a parallel course while passing through a business cycle. A more precise statistical comparison of these two series can be made through use of further data which are published in the July 1947 Supplement to the Survey of Current Business.

The revival of Regulation W should have a mixed influence on the demand for furniture. Since this Regulation was revived only a short time ago, its impact on furniture purchases and on retailers has not yet fully materialized.

Reimposition of this regulation should affect directly both consumers and furniture retailers. Some potential consequences to consumers are as follows:

1. Postponement of some purchases.
2. Trading down of some purchases—that is—cheaper grades of furniture will be bought, or used furniture will be purchased instead of new.
3. Withdrawal of some marginal buyers from the furniture market.

At the same time there will be two potential consequences to furniture retailers:

1. Restriction of credit competition for customers.
2. Stimulation of price competition for customers.

Regulation W could exert a twofold influence upon both furniture wholesalers and retailers. First, it might slow down inventory turnover which would reduce profits. Secondly, it might reduce the risk of bad debt losses which would add to profits.

These two influences on profits should neutralize each other if the reimposition of Regulation W does not produce a marked decline in furniture sales. Such a decline is made highly improbable by the likelihood of a sustained volume of new home construction for several years to come.[14]

Should Regulation W wipe out some of the demand for furniture the resulting loss would not necessarily be bad. A furniture dealer would be glad not to have picked up a large volume of easy-profit business if a recession should set in. With a large volume of easy-credit outstanding, a dealer might find it difficult to remain solvent during a downswing of the business cycle. This follows because the demand for furniture drops sharply in a business recession and instalment debts become difficult to collect.

Your experience with Regulation W probably has led you to a conclusion regarding its merits. My analysis has led me to believe the following: *Whatever easy-credit business may be lost because of Regulation W could be a blessing in disguise to the furniture industry.* ★★★

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[9] J. C. Aspley, editor, *Sales Managers Handbook* (Chicago: The Dartnell Corporation, Fifth Edition, 1947), p. 213.

[10] "Retail Credit Survey," *Federal Reserve Bulletin* (July, 1947), p. 822.

[11] *Survey of Current Business* (December, 1947, & April, 1948), p. S-16.

[12] *National Income Supplement to Survey of Current Business* (July, 1947), p. 42.

[13] Ibid., p. 44.

[14] *Industrial Marketing, 1947 Market Data Book Number* (October 25, 1947), p. 319.

The Bill-Collecting Problem

Paul D. Green

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YOU SELL Mr. or Mrs. Someone your goods on credit. Bills and, finally, dunning letters are ignored. You don't want to lose goodwill—but you do want the account paid!

How far should you go to get your money?

That's the practical—and ethical—question inherent in the business of that expert bill collector commonly known as the skip tracer. To illustrate, let me tell you about one I know. Call him Norman.

Norman is a short, ruddy-faced, baldheaded man with rimless glasses who looks more like a pleasant druggist than a sleuth. He has very little faith in letters, and lots of it in the value of a telephone call or personal visit.

Take the case of the woman who owed a department store $180 for dresses she had long since discarded. Norman's immediate problem was to learn the whereabouts of the woman's working husband, who was responsible for her bills.

Fortified with a complete report on his past credit record, and a partial family history, Norman called up the woman. She had an odd name—Sputz—so when he got a "Hello," he said:

"This is Mr. Sputz, and I'm looking for Sam Johnson."

"Why, there's no Mr. Johnson here," the lady replied, "but by a peculiar coincidence my name is Sputz."

"Is that so?" Norman said in mock surprise. "The only other Sputz I ever heard of was Sam Sputz from Fort Worth, Texas. I'm from Dallas." At this stage a nicely modulated Southern accent crept into his voice.

"Well, now isn't that nice?" Mrs. Sputz said agreeably. "Sam would certainly be glad to see you. Why don't you come up to the apartment so we can talk over old times?"

"I'm sorry, Mrs. Sputz, but I have to be leaving town this evening. By the way, where is Sam now? I certainly would like to get in touch with him."

"Oh, he's working at the A. B. C. Knitting Mills in Toronto, Canada," she offered. "I'm expecting to join him later."

"Thank you very much, Mrs. Sputz. I'll try to drop in and see you next time I'm in town," said Norman, hanging up. The same day he dispatched the papers to a Canadian agent who promptly got a judgment against Mr. Sputz, who would probably have been chagrined if he learned how his wife's curiosity had tripped him up.

Every case, big and small, is a personal challenge to a good skip tracer. Their fees run from 25 to 50 per cent of the amounts collected, depending on the age of the account. The important thing when a skip tracer gets an account for collection is to determine immediately whether it is collectible at all. If there's the slightest chance that a bill will eventually be made good, a skip tracer will pursue it if it takes years, which it sometimes does.

Once Norman had to collect a bill from a woman who was unmarried and usually worked for a living. When he called on her, she pleaded temporary embarrassment, but swore she'd make good the account as soon as her circumstances were straightened out. After a little cautious inquiry, Norman learned she had done considerable selling in the past. One of his numerous contacts among the department stores had asked him if he knew of a good road salesman. Norman recommended the woman, who is still selling infants' wear across the continent. She has paid off her obligation long since.

Another time, when he called on a professional man to pay an old bill of $240, he found him in slightly adverse circumstances.

"Well, when do you think you can pay this bill?" Norman asked patiently.

"I think I could start paying in about a year," the man said.

"Well, I'll go you better than that," offered Norman. "Suppose we let you alone for 18 months."

A year and a half later, when he called on the man, he gratefully began paying off the old debt and cleared it up in short order.

Norman enlists the free-lance and often unsuspecting aid of doormen, real-estate agents, neighbors, and friends in tracing delinquents. He has found that gossipy women neighbors are suckers for a little "dirt" to discuss at the sewing circle or bridge club, and will exchange reams of pertinent information for good material. When he uses outside agents, he prefers attractive girls, well dressed, particularly for entering high-class apartment houses. A doorman would stop a male investigator and ask him his business before admitting him, but the girls get by easily. When they question a doorman about a party who has moved, they never say:

"Where did Mr. McGillicuddy move to?" because that's the tip-off that they don't know him. They say, instead:

"I'd like to see Mr. McGillicuddy," knowing full well he's moved away. If the doorman recollects McGillicuddy as a chap who took good care of him at Christmas, he'll raise every tenant out of his sleep to learn his whereabouts, if he doesn't already know.

Norman finds good pickings among professions—actors, writers, radio announcers, or people connected with them. They all have a tendency to overreach themselves in trying to keep ahead of the mob. Frequently department stores have to jog them with a visitation from Norman to get their accounts straight.

He also runs into a number of phoney or legitimate but impoverished European refugees from royal houses. To break these people down, he often has to ring in the appropriate French, German, or Italian dialect. If he comes across an unfamiliar nationality, however, he pretends he's Bulgarian, just to make himself a foreigner.

Wrong Methods Deplored

Louis Spencer, Oakland, California

AS ONE engaged in the collection business more than 25 years, I register a strong disapproval of the skip-tracer methods as described by Mr. Green. Yet it is true that the job of finding people can be exasperating.

The cheat will, of course, resort to any scheme to hide his identity. But many people are "lost" with no inten-

tion to defraud a creditor. Often they have had financial reverses and have moved from place to place to find work, and have simply neglected to inform creditors. To assume that such people are criminals and then adopt demeaning methods of tracing them is wrong.

But why is it so many merchants expect the professional collector to be ruthless? If he objects to such suggestions, he may lose the business. If he becomes hardboiled, he sullies his self-respect and may lose his reputation. That's a dilemma sometimes forced on collectors by well-meaning but thoughtless clients. And it's an aspect which is often overlooked in discussions of this kind.

Overselling Makes Debtors

D. D. Monroe, Clayton, New Mexico

HIGH-PRESSURE selling, overselling, and insufficient investigation of the buyer's ability to pay—these, I think, are prime sources of bad accounts. No real Rotarian would sell a man with a monthly income of $150 a $3,000 automobile. He knows that though the man might manage to pay for it, he could not maintain it and at the same time meet his family's other needs.

In towns the size of mine (3,200), where everyone knows everyone, there is little need for professional bill collectors, but in little centers and big ones there is always present the question: to what degree is the debtor's welfare more important than the debt? This, to me, is certainly a moot question. How much emphasis shall we place on money? Shall we hold a dollar so close to our eye that we can see nothing else? The cautious businessman never has to face the issue because he never permits accounts to reach a point where they jeopardize the debtor.

It's a Problem for Doctors

Dr. F. J. R. Forster, Stratford, Ont., Canada

IT IS well known that few businesses or professions show a poorer rate of account collection than the medical profession, but doctors are improving. They are mailing their billings more promptly and using more efficient collection methods. When patients ignore three or four notices or flatly refuse to pay, the doctor does well to place the account in the hands of a reliable collector.

The practice of medicine is, of course, fundamentally a humanitarian service—and the doctor who is true to himself and his profession never forgets it. Thus, every year, he writes off many accounts, especially of elderly people. Last month I cancelled an operation fee for cataract removal in the case of an old man who was working when I operated two years ago, but who now has only an old-age pension as income. The peace of mind the cancellation gave the old gentleman and his wife was worth double my fee.

Care on Credit Saves Customers

Harley E. Rice, Stoneham, Massachusetts

A FALSE economic philosophy has crept into the thinking of many people. It is the notion that every man is entitled to the things he thinks he needs whether he can pay for them or not. It results in a new indifference toward debts and a consequent weakening of the free-enterprise system.

People are, it is true, more important than money, and their welfare must be considered in collecting debts. In my work, hospitals, this means finding the dividing line between those needing social-service aid and those needing credit—and satisfying the need by one means or another. In other lines, these same ends can be approached, I feel, by using greater care in credit extension—to save people of weak financial ability from falling into the position of defaulters—which generates so much resentment, rebellion, and ill will.

Collecting Has Risks, But . . .

Arthur S. FitzGerald, Windsor, Ont., Canada

A CERTAIN account I know of had been paid, but by error was not credited to the customer. The bill was given to a collector. Finding the customer out, the collector left a card in public view addressed to him. Angered, the customer, whose credit was 100 per cent, held the principal responsible and refused to do any further business with him.

The professional collector is necessary, but the creditor who hires him must feel a responsibility for his methods. Collections that would financially cripple the well-meaning debtor or harm his family should be postponed. That is only common humanity. It is also good business.

How much to pay the collector? Twenty-five to 50 per cent, depending on the age of the account, or costs plus 25 per cent of the balance.

We Never Sue a Debtor

William Calder MacKay, Auckland, New Zealand

MOST merchants in New Zealand would sooner have a customer buy fewer goods—and be able to pay for them—than to overbuy. In one exception a woman got a raw deal. Two fellow merchants went to the seller and told him to return the goods he had taken back. To offset his loss the two men—both Rotarians—said they would cover two-thirds of it and that he must stand one-third. But, they said, the woman must get the goods. *And she did.*

Occasionally a customer is a deadbeat. But our firm, organized in 1928, has never sued. If we make a mistake in granting credit, we write off the debt. Though we are the largest sellers on the installment plan in New Zealand, on 250,000 time-payment sales last year we wrote off less than $8,000—and some of that is recoverable. In some cases we sit down with a hard-pressed buyer and discuss his problem—perhaps reducing payments for a while. That salvages goodwill—and perhaps a customer. If the buyer cannot meet obligations, he must always be left with goods to the value of money he has paid.

Get It Straight—First!

Harold J. Snell, Red Deer, Alt., Canada

TOO easy credit may be the greatest single cause of friction over unpaid bills, but another runs it a close second. It is the lack of a firm understanding between buyer and seller, professional man and client, at the time credit is being extended. Let there be no mistake as to when and how payment of the account is to be made, and the bargain and agreement are well begun.

And if it goes bad, if the buyer defaults turn the account over to a professional collector? Certainly, if the buyer continues to ignore repeated requests for payment. And let the collector go as far as the laws of the land allow.

One problem professional men have is that the client who is resisting collection claims their services were never satisfactory. He uses it as an excuse. It is a very difficult problem—but, again, a definite initial understanding helps avoid it. ★★★

Tucson Check Identification Plan

H. W. KENGLA, *Credit Manager,* Albert Steinfeld & Co., Tucson, Arizona

THE TUCSON Check Identification Plan consists of a private concern set up by two men from the Tucson Police Department. Their organization is called the Southwest Check Identification Association. The income from the SCIA is derived from dues paid for memberships by local merchants. The price of memberships ranges from $25.00 to $100.00 depending upon the amount the merchant wishes to pay, that is, the merchant chooses a category to which he subscribes without regard to the size of his business. The SCIA guarantees to reimburse a merchant up to the amount of their membership dues in case a N. S. F. check from any holder of one of their identification cards which they cannot collect.

The action in this plan begins when a depositor of any one of the local banks applies to their bank for a certificate of their account which consists of the signature of the depositer, date of certificate, and a bank officer's signature. This certificate is illustrated below. It is then taken to the office of the SCIA which is centrally located in the city. They issue an identification card, also shown below, to this person which shows a print of his index finger, his picture, signature, address and account number. The picture is impressed with a seal of the SCIA which is placed over both picture and card in such a manner that they are both impressed. This prevents the substitution of another picture.

Account Number on Checks Issued

Thereafter the holder of the card places his account number on all checks issued. If the party cashes the check in person, he has his card to show for identification. If the check is cashed by a person other than the giver of the check, the cashier of any store need but call up the SCIA, tell them that number and verify the name of the giver of the check.

For visitors or residents coming from other states who have not transferred their account to a local bank, or who do not wish to open an account in Tucson, the SCIA requires that a letter be sent to them directly from their home town bank stating that he has an account in that bank, it is to be used in Tucson, and the party is in good standing, etc. An identification card is then issued to this party.

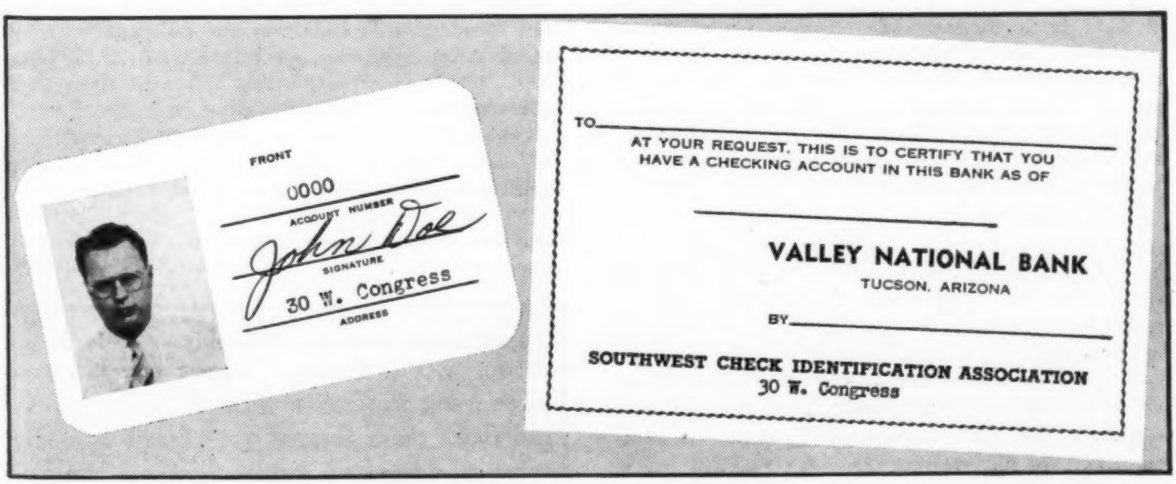
Card Explaining Plan

Local banks send to each depositer, with their monthly statement, the certificate blank and a card explaining the plan. The copy on this card reads:

> Do you have any trouble in cashing your personal checks? If you do it is not necessary any more. There is a service in Tucson, made possible by the merchants and banks for you to have the proper identification, *free of charge,* as a depositor of the banks and a customer of the merchants.
>
> No more searching for some type of identification or embarrassing questions asked, or the possibility of your check being refused.
>
> Why are the merchants and banks doing this? To show their appreciation of your business, and to make your shopping a pleasure.
>
> All that is necessary is for you to step to the new account desk at the bank in which you have your account, ask for a certificate of your account, and bring it to our office, where in five minutes your card will be filled out.
>
> Several thousand persons have availed themselves of this service. Why don't you?
>
> This identification card is also of value to any person, in case of emergency, who has no personal identification.

Advertising the plan includes counter displays prominently placed in the lobby of each bank. These consist of a card with a backing to hold it upright, approximately six inches by nine inches, showing a sample of the identification card and having a pocket to hold the explanatory cards. The identification card is stapled on the face of this display card. The pocket holding the cards of explanation is immediately under the identification card. In addition to these counter displays, the SCIA uses newspaper and radio advertising.

While the plan has not been in operation very long in Tucson, up to now the merchants feel that it is well worth the expense of operation due to the decrease in the number of hot checks being passed during the past several months. ★★★



Dakins Now Manages N.R.D.G.A.

J. Gordon Dakins, formerly executive assistant to Lew Hahn, President and General Manager of the National Retail Dry Goods Association, has been named General Manager and Assistant Treasurer of that Association. From 1944 to 1947, he was Manager of the Credit Management Division of the N.R.D.G.A.

From 1942 to 1944 he was Educational Director of the National Retail Credit Association. Prior to his entering the services of the N.R.C.A., Mr. Dakins was employed by the British American Oil Company, Ltd., Toronto, Ontario, Canada, as Credit Manager of their Retail Division. He is a native of Canada, a graduate of the University of Manitoba and holds degrees in Arts and Law. While at the Manitoba Law School, he was awarded the University gold medal for the highest standing during the course.

Prior to his connection with the oil business, he was employed for eight years as assistant credit manager of Hudson's Bay Company, Winnipeg. From the time he joined that Company, Mr. Dakins has been actively engaged in the work of credit associations. He is the author of many articles on credit problems and is an outstanding speaker on the subject. He has lectured at the Toronto Credit School and has dominion-wide reputation as a specialist on effective credit and collection correspondence.

In his new position, Mr. Dakins takes over duties relinquished by Lew Hahn, who continues as President and Treasurer. Gordon K. Creighton remains as assistant General Manager and assistant Treasurer. Mr. Hahn, who is now convalescing from an operation he underwent on September 9, will devote himself to policy matters.

In Mr. Dakins' wire to Mr. Crowder regarding his appointment he said, "Want you to be the first to learn of my appointment as General Manager of the N.R.D.G.A., because you are the one who started me on the road to success." Mr. Crowder replied, "Congratulations. Was delighted on return to city this morning to receive your telegram announcing your appointment as General Manager of the N.R.D.G.A. Predict for you outstanding success as head of the Association. The credit fraternity throughout North America will receive the news with the greatest of pleasure. Regards and every good wish."

In the announcement of Mr. Dakins' resignation from the N.R.C.A. in the March, 1944, Credit World, we said, "While we dislike losing the services of one so capable as Mr. Dakins, we say, 'Good Luck, Gordon, in your new field of endeavor.'" Good luck has certainly come to Gordon Dakins and we know that all the members of the National Retail Credit Association will join us when we say, "You have our sincere best wishes for your continued success." ★★★

Vancouver Credit Women Celebrate

SEPTEMBER 30, 1948, marked an important milestone in the history of the Vancouver Credit Women's Breakfast Club, for on that morning at 7 a.m., about 70 Breakfast Clubbers, bosses, and guests, sat down to the 16th Anniversary Breakfast of the Club. It was recalled that the Club was the third Credit Women's Breakfast Club to be formed on this continent, being preceded only by Portland and Spokane clubs. This too gave the Vancouver club the distinction of being the first in Canada.

President Hannah Tilson presided most graciously and efficiently, and extended the welcome. On behalf of the bosses, Herb Barnes proposed the following toast to the Club. The response was given by Doris Taylor.

"THE BREAKFAST CLUBBER"

Who is it that the customer met, In order he might credit get?
Who is it that must have tact, To obtain what's truly fact?
The interview to skilfully guide, Find what the customer would hide?

THE BREAKFAST CLUBBER!

Who is it that must use her head, When acting in the Boss's stead?
Who is it that without a qualm, An irate customer must calm,
Because you asked him for his dough, That he should not be rated slow?

THE BREAKFAST CLUBBER!

Who is it should be up to date, On new methods used of late?
Who is it were she not there, Her Boss would be in such despair?
Who is it that's so nice and sweet, It's always a joy to meet and greet?

THE BREAKFAST CLUBBER!

Who is it that without a doubt, Credit men can't do without?
Now men, you know as well as I, So altogether with the cry:

THE BREAKFAST CLUBBER!

The guest speaker, introduced by Dorothy Westover, Vice-President of the Club, was one of Vancouver's leading clergymen and public speakers, Rev. E. D. Braden, D.D., who gave an outstanding and most appropriate address entitled "The House of Happiness."

Specially honored guests were honeymooners Mr. and Mrs. Dick Tregillus, Calgary, Alberta. Mrs. Tregillus is the former Eleanor Robertson, President of the Calgary Credit Women's Breakfast Club, who so ably presided over the International Breakfast at the Banff Conference. ★★★

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

National Membership Activities

Roll of Honor

Here is the roll of new National Units which have been organized since June 1, 1948:

City	*Date*	*Members*
Crossville, Tennessee	**June 18, 1948**	**10**
Silver Spring, Maryland	**July 15, 1948**	**36**
Troy, Alabama	**July 20, 1948**	**51**
Saskatoon, Sask., Canada	**August 13, 1948**	**12**
Courtenay, B. C., Canada	**September 28, 1948**	**59**
Kirkland, Washington	**September 30, 1948**	**28**
Shelton, Washington	**October 8, 1948**	**11**
Red Deer, Alta., Canada	**October 14, 1948**	**45**

This honor roll will be published on this page each month in The Credit World. There were 34 new National Units organized during 1947-1948. We expect to double this number during 1948-1949. Will your city be next?

Membership Prizes, 1948-49

Prizes of $100.00 each are to be awarded to the following chairmen reporting the largest number of new members:

Local Chairman—100 members minimum.
State Chairman—200 members minimum.
District Chairman—500 members minimum.

Only one chairman in each group is to receive an award and it will be based on the greatest number of members reported. In addition, the first credit bureau manager reporting 100 per cent National affiliation (all members), provided the minimum is 100 members, will receive $100.00 in cash.

Pen and pencil sets will be awarded to:

1—The president of the National unit making the greatest percentage gain in membership.

2—The secretary of the National unit making the greatest gain in membership.

3—The credit manager for outstanding membership work.

4—The bureau manager for outstanding membership work.

Gavels, properly inscribed, will be given to Credit Associations as outlined below organized between June 1, 1948 and May 25, 1949, as follows:

1—First National Unit organized during the fiscal year.

2—Unit making the greatest percentage gain.

3—Local Associations in cities up to 50,000 population organizing a National Unit of 25 or more members.

4—Local Associations in cities up to 100,000 population organizing a National Unit of 35 or more members.

5—Local Associations in cities of 100,000 to 250,000 population organizing a National Unit of 50 or more members.

6—Local Associations in cities of over 250,000 population organizing a National Unit of 75 or more members.

Membership Advisory Board

National Retail Credit Association

Dean Ashby, J. L. Brandeis & Sons, Omaha, Nebr.
R. T. Schatz, Washington Water Power Co., Spokane, Wash.
Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pa.
Royce Sehnert, The Wichita Eagle, Wichita, Kansas
E. K. Barnes, First National Bank, Spokane, Wash.
Frank Batty, 55 Moraga Highway, Orinda, Calif.
Franklin Blackstone, Frank & Seder, Pittsburgh, Pa.
David D. Bolen, Famous-Barr Co., St. Louis, Mo.
Harry L. Bunker, H. C. Capwell Co., Oakland, Calif.
H. J. Burris, 6511 Charlotte, Kansas City, Mo.
Giles C. Driver, 28552 Detroit Road, Westlake, Ohio
Erwin Kant, Ed. Schuster & Co., Inc., Milwaukee, Wisc.
L. M. Karpeles, Burger-Phillips Co., Birmingham, Ala.
Leopold L. Meyer, Meyer Bros. Inc., Houston, Texas
E. E. Paddon, Lammert Furniture Co., St. Louis, Mo.
L. T. Pease, Ovington Gift Shop, New York, N. Y.
Hugh L. Reagan, The Cain-Sloan Company, Nashville, Tenn.
Joseph H. Riggs, Florida National Bank, Jacksonville, Fla.
J. Gordon Ross, Rochester Gas & Electric Corp., Rochester, N. Y.
Robert A. Ross, Neiman-Marcus, Dallas, Texas
W. T. Snider, 516 E. Pacific Avenue, Webster Groves, Mo.
Ralph W. Watson, Ralph W. Watson & Co., Spokane, Wash.
Joseph A. White, Harris Stores Co., Pittsburgh, Pa.

Associated Credit Bureaus of America

E. DeWitt, Seattle Credit Bureau, Seattle, Wash.
Harry P. Earl, Credit Bureau of Salt Lake City, Salt Lake City, Utah
C. E. Moorman, Credit Bureau of Jacksonville, Jacksonville, Fla.
H. A. Wallace, Associated Credit Bureaus of America, St. Louis, Mo.
J. E. R. Chilton, Jr., Merchants Retail Credit Ass'n, Dallas, Texas
L. S. Gilbert, Credit Bureau of Atlanta, Atlanta, Ga.
J. D. Hays, Credit Bureau of Greater Harrisburg, Harrisburg, Pa.
R. G. Trosper, Credit Bureau of Greater Greensboro, Greensboro, N. C.
A. B. Buckeridge, Credit Bureau of Greater New York, New York, N. Y.
C. L. Bard, Credit Bureau of Louisville, Inc., Louisville, Ky.
A. F. Henning, Retailers Credit Association, Inc., Sacramento, Calif.
Fred S. Krieger, Credit Bureau of Milwaukee, Milwaukee, Wisc.
Jerry Harris, Creditors Service Bureau, El Paso, Texas.
Harry E. Boyd, Retailers Collection Service, Alton, Ill.

Credit Women's Breakfast Clubs of North America

Mrs. Helen Lybold, Weinberg's, Butte, Montana
Mrs. Pat Hughes, Merchants Credit Association, Birmingham, Ala.
Avadana Cochran, Kitsap County Credit Bureau, Inc., Bremerton, Wyoming
Marion O. Brooks, Belisle's, Baton Rouge, La.
Mrs. Catherine Bartlett, Cleveland Retail Credit Men's Co., Cleveland, Ohio
Mrs. Ethel Dopp, R. J. Martin & Co., Spokane, Wash.
Lily Person, Plymouth Furs, Minneapolis, Minn.
Mrs. Pauline Shepard, Credit Bureau of Daytona Beach, Daytona Beach, Fla.
Mrs. Laura Geren, The Boston Store, Fort Smith, Ark.
Mrs. Kitty Lofton, Genuine Parts Co., Atlanta, Ga.
Stephanie Dougherty, I. Magnin & Co., San Francisco, Calif.
Agnes J. Moyer, Berks Products Company, Reading, Pa.
Eleanor Wilson, Anderson Furniture Co., Duluth, Minn.

CREDIT FLASHES

John D. Kemper Now With Marshall Field

John D. Kemper, for many years Credit Manager, Mandel Brothers, Chicago, Ill., has been appointed Manager of the Charge Account Section, Marshall Field & Co., of the same city. He will be associated with Earle Harrison and Wayne Stokes in the Field organization. Mr. Kemper was Credit Manager of the New Boston Store, Chicago, Ill., until recently when the store discontinued business.

William Streeter in Minneapolis

William Streeter, formerly president of the Milwaukee Retail Credit Association, and Credit Manager, Nelson Brothers, Milwaukee, Wisc., is now Credit Manager, Boutell's, Minneapolis, Minn.

Appointment for Russell H. Fish

Russell H. Fish has been appointed Research Director, The May Co., Denver, Colo. In addition, he will continue his staff responsibilities in connection with various departments in the Controller's Division.

C. W. B. C. of N. A. Presidents at Banff

A record was established at the Tenth Annual Conference of the Credit Women's Breakfast Clubs of North America held at Banff, Alberta, Canada, June 7-10, 1948, when eight of the eleven past presidents attended the meeting. This was the first time in the history of the organization that so many past presidents had attended an annual conference. Only three past presidents were unable to attend: Marion O. Brooks, Baton Rouge, La.; Mrs. Pauline Shepard, Daytona Beach, Fla.; and Mrs. Kitty Lofton, Atlanta, Ga. A picture of the eight attending the Banff Conference is shown below. Left to right are: Mrs. Laura Geren, Fort Smith, Ark.; Mrs. Catherine Bartlett, Cleveland, Ohio; Agnes J. Moyer, Reading, Pa.; Eleanor Wilson, Duluth, Minn., immediate past president; Lil Person, Minneapolis, Minn.; Mrs. Ethel Dopp, Spokane, Wash.; Stephanie Dougherty, San Francisco, Calif.; and Avadana Cochran, Bremerton, Wash., first president.

Coming District Meetings

District Two (New York and New Jersey) and District Twelve (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia) will hold a joint annual meeting in the Hotel New Yorker, New York, N. Y., February 27, 28, and March 1, 1949.

District Three (Florida, Georgia, North Carolina and South Carolina) and District Four (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting in Nashville, Tenn., April 24, 25, 26 and 27, 1949.

District Five (Ohio, Michigan, Ontario, Canada, and Kentucky) and District Thirteen (Illinois, Indiana, and Wisconsin, except Superior) will hold a joint annual meeting at the Netherland Plaza Hotel, Cincinnati, Ohio, February 20, 21, 22 and 23, 1949.

District Seven (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting at the Muehlebach Hotel, Kansas City, Mo., March 13, 14 and 15, 1949.

District Eight (Texas) will hold its annual meeting in Dallas, Texas, May 1, 2 and 3, 1949.

District Eleven (Arizona, California, Nevada and Hawaii) will hold its annual meeting in Bakersfield, Calif., April 18 and 19, 1949.

Long Beach Credit Association in New Home

Karl M. Gibbs, Manager, Long Beach Credit Association, Long Beach, Calif., has announced that the Association has moved to its new building, 601 Pacific Ave. The offices are on the ground floor of the new structure which was especially built for their use. By installation of special telephone boxes, the file girls are able to cut nearly two-thirds from the time required to give a credit report to a member. Formerly the process required six to eight minutes and, on the first call into the new office, the report was made in two and one-half minutes. Official opening and open house was held on October 14 and 15 and all visitors were served a complimentary luncheon between 11 a.m. and 2 p.m. each day.

Cost Study Resumed

At the request of many of our members, the Research Division will resume the compilation of figures for the Credit Department Expense study. These studies were discontinued during the War. Questionnaires for 1948 will be mailed out shortly after the first of the new year and we hope to release the report early in the spring.

American Finance Conference to Meet

The 15th annual convention of the American Finance Conference, a national association of independent (automobile) finance companies, will be held in the Palmer House, Chicago, Ill., November 16 and 17, 1948.

Henry Martin Manages Terrell Credit Bureau

Henry Martin, who recently retired after 31 years, services with Halliburton's, Oklahoma City, Okla., as credit manager and supervisor of charge sales, is now secretary manager of the Retail Merchants Association, Terrell, Texas.

Edward J. Warmbier

Business associates and friends of Edward J. Warmbier were shocked on hearing of the sudden and unexpected death of Edward J. Warmbier, Personnel Director, Speer and Co., Pittsburgh, Pa., on September 30, 1948. He was active in educational circles, bond and Community Chest drives and Kiwanis work. He was a graduate of Carnegie Institute of Technology and had a master's degree in psychology. Many members of the N. R. C. A. will remember his excellent address which he delivered at our annual conference in Cleveland in 1946.

Bennie Neiman

Bennie Neiman died recently in Pittsburgh, Pa., at the age of 68. At the time of his death he was President, Frank & Seder, Pittsburgh. When the Credit Bureau of Pittsburgh was organized in 1926 he was elected a director and took an active part in its affairs for a few years. He was a heavy contributor to philanthropic organizations and was nationally known for his honesty and fair dealings.

Positions Wanted

Credit Manager. Good personality, appearance and character. Experienced in retail store credit and small loans. Box 1181, The Credit World.

Credit Manager. Experienced in credit, financing and accounting. Age 40. At present, assistant credit manager in large department store in the Middle West. Desires to locate on West Coast. Box 1182, The Credit World.

Credit Manager. Age 50. Married, experienced in both wholesale and retail credits, collections and correspondence. Prefers Minnesota, Iowa, or western Wyoming. Box 1183, The Credit World.

For Sale

Credit Bureau and Collection Agency in fast growing Rio Grande Valley town of 12,000. Nets $300.00 monthly. Price $3,250.00, minimum $2,000.00 cash. Ideal for man and wife. Reason for selling, other business interests. Box 1184, The Credit World.

New Advertising Campaign

THE NATIONAL OFFICE has prepared a new series of mats which included 17 Pay Promptly and one Returned Goods ads for use in your local newspapers. These mats come in two popular sizes: 6 x 9 inches, $2.50 each, and 4 x 6 inches, $1.75 each. The titles of the 18 ads are:

1. The Physician, The Hospital, The Dentist, The Druggist
2. Credit is Confidence
3. Keep Your Credit Record Good
4. Credit is the Foundation of all Commerce
5. Good Credit
6. A Shopping Convenience
7. Keep Your Promise
8. Promptness
9. How Good is Your Word?
10. The Emblem of Sound Credit
11. The Spirit of Christmas
12. We Have Your Name in This "Who's Who"
13. Your Credit Record is an Open Book
14. Guard Your Credit as a Sacred Trust
15. Pay Your Just Debts
16. In an Emergency
17. Make Up Your Mind Before You Buy
18. Worth More Than Gold

Write the National Office for a portfolio illustrating all of these new mats.

Montana State Credit Conference

THE CREDIT BUREAU of Gallatin County, its members, and its managers, Mr. and Mrs. Frank Maxwell, were hosts September 11 and 12, to Credit Women's Breakfast Clubs, Credit Executives, and Credit Bureau operators, gathered in Bozeman, Montana, for the annual Montana State Credit Conference.

Saturday's program was given over to the Bureau operators, who spent a full day discussing collection procedure, standardized rates and forms, and other matters relating to their operations. Speakers were H. D. McGinty, Great Falls, C. S. D. chairman; Ken Dutt, Livingston, Dixie Lawton, Anaconda, Herb Abel, Miles City, Rose Shaw, Butte, and Paul Johnson, assistant F. H. A. administrator, who spoke on "F. H. A. Reporting." A joint meeting was held with all branches of credit executives and operators. Speakers at the one-day conference were Dean Theodore Smith, Montana State University, and John Heath of the Helena Federal Reserve Bank, who discussed Regulation W.

Barney Murphy, Great Falls (a director of District 10) was elected President of the Montana Credit Council, and new directors were Frank Gould, Butte, and Herb Abel, Miles City. Stella Gordon, Great Falls, was elected Secretary-Treasurer, as well as Chairman of the Montana Region of Credit Women's Breakfast Clubs.

The Annual Banquet was held in Hotel Bozeman, at which United States Senator Zales N. Ecton was the principal speaker. Following the banquet, the convention adjourned to the Hotel Baxter for the annual dance.

Out-of-state visitors to the Convention included Avadana Cochran, Secretary-Treasurer of District 10, Bremerton, Washington; and Walter A. Jensen, Executive-Secretary, Northwest Credit Council, Portland, Ore.

Pittsburgh, Pennsylvania

The officers and directors of the Retail Credit Association of Pittsburgh, Penn., elected to serve for the ensuing year are: President, A. S. Kerby, Hardy and Hays; First Vice-President, H. A. Clarke, Boggs & Buhl; Second Vice-President, J. Thurston, American Oil Co.; Third Vice-President, W. L. F. Brethauer, Meadow Gold Dairies; Treasurer, E. A. Beard, Potter Title & Trust Co.; and Secretary, T. L. Ford, The Credit Bureau. Directors: W. L. F. Brethauer, Meadow Gold Dairies; M. V. Johnston, Gulf Oil Corp.; J. L. Stacks, Atlantic Refining Co.; and J. A. Wagner, Home Discount Corp.

Cincinnati, Ohio

The Associated Retail Credit Granters of Cincinnati, Ohio, held their annual meeting and election of officers at the Cincinnati Club, September 28, 1948. The newly elected officers are as follows: President, Lawrence W. Robbins, Willis Music Co.; Vice-President, Clay Smith, Burkhart's; Executive Secretary, Allison P. Koelling, Credit Bureau of Cincinnati; and Treasurer, Carroll Whisler, Mabley & Carew Co. Directors: Mary Brinkman, Fair Store Co.; Roy Gale, H. & S. Pogue Co.; Harry Timmer, Alms & Doepke Co.; and William A. Singer, Personal Finance Co. These officers will also function as the Convention Committee to entertain the Annual Conference of the Associated Credit Bureaus, Fifth District; Collection Service Division, Fifth District; Credit Women's Breakfast Clubs, Fifth and Thirteenth Districts; and the National Retail Credit Association, Fifth and Thirteenth Districts, in Cincinnati, at the Netherland Plaza Hotel, February 20-23, 1949.

Burlington, North Carolina

The officers and directors of the newly organized Retail Credit Association of Burlington, North Carolina, for 1948-1949 are: President, H. W. Jeffcoat, Sears Roebuck & Co.; Vice-President, Douglas Avent, Commercial Credit Corp.; and Secretary-Treasurer, Warren H. Vestal, Wrenn-Wilson. Directors: C. B. Ellis, Jr., C. B. Ellis Music Co.; Carlysle Wooten, Green & McClure; and W. T. Mottinger, Tire Sales Co.

De Land, Florida

The De Land Credit Association elected the following officers to serve for the coming year: Chairman, Gilmore O. Anderson, Barnett National Bank; Vice-Chairman, G. Truett Stoudenmire, Stoudenmire's Grocery; and Secretary, Mildred N. White, Credit Bureau of De Land.

Spokane Unit Continues to Grow

The Spokane Retail Credit Association, with a membership of 706 National members ranks fourth in the United States. New York, Pittsburgh, and Baltimore are the three cities ahead of Spokane; however, with 11 more members, Spokane would tie with Baltimore for third place. It is one of the fastest growing National Units in the United States. It now has 50 per cent more members than it did four years ago. The 1944 membership was 466. The growth of this association is phenomenal in that Spokane, with the fourth largest National Unit, ranks 66th among the United States cities in population.

Louisville, Kentucky

The new officers and directors of the Retail Credit Managers' Association, Louisville, Ky., and the coming year are: President, Ed. J. Reichert, Hubbuch Bros. & Wellendorff; Vice-President, Mrs. Mabel Sproehnle, Besten & Langen; and Secretary-Treasurer, Carson L. Bard, Credit Bureau of Louisville. Directors: Mrs. Amy N. Lammers, J. Bacon & Sons; Fred Cotton, Bond Stores; Harold J. Crouch, Kaufman-Straus Co.; George Lemke, Brecher Co.; Carl Richert, Lincoln Bank & Trust Co.; and T. R. G. Stanley, Norton Infirmary.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933.

Of CREDIT WORLD, published monthly at St. Louis, Mo., for October 1, 1948.

State of Missouri }
City of St. Louis } ss.

Before me, a Notary in and for the State and county aforesaid, personally appeared Lindley S. Crowder, who, having been duly sworn according to law, deposes and says that he is the Editor of The CREDIT WORLD, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are:

Publisher, National Retail Credit Association — St. Louis, Mo.
Editor, Lindley S. Crowder — St. Louis, Mo.
Managing Editor, Arthur H. Hert — St. Louis, Mo.
Business Manager, E. E. Hannefin — St. Louis, Mo.

2. That the owner is: National Retail Credit Association, 218 Shell Building, St. Louis 3, Mo.; Dean Ashby, President, J. L. Brandeis & Sons, Omaha, Neb.; Richard T. Schatz, First Vice-President, Washington Water Power Co., Spokane, Wash.; Clarence E. Wolfinger, Second Vice-President, Lit Brothers, Philadelphia, Pa.; Royce Sehnert, Third Vice-President, Wichita Eagle, Wichita, Kan.; L. S. Crowder, General Manager-Treasurer, 218 Shell Building, St. Louis 3, Mo.; and Arthur H. Hert, Secretary, 218 Shell Building, St. Louis 3, Mo. No stock. Official organ of the National Retail Credit Association.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, and hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

L. S. CROWDER, Editor.

Sworn to and subscribed before me this 21st day of September, 1948.

Mary E. Riordan.

(My commission expires May 18, 1949.)

HAROLD A. WALLACE

The Proper Use of an Important Tool

AS A CREDIT executive, your job is granting credit wisely to help your firm do more business profitably. To do a good job, then, you should make the best use of all available tools. These include 1) a sound credit policy; 2) use of a standard credit application form; 3) the credit bureau; and 4) your own credit knowledge and experience.

Now and then, someone unthinkingly says that they can pass credit by the "eyeball" method or solely on a credit bureau report. This surface thinking is unsound for experienced credit executives know that all the tools must be used together.

Get the Best Service Possible

In this article, I would like to give you some information that will help you obtain better credit bureau service. You need employment and financial data to determine credit capacity, and to set credit limits. Naturally, banks and employers are very careful about giving out information. Fortunately, your credit bureau enjoys an enviable position of confidence and can secure this valuable information from both employers and banking institutions. You can help maintain this relationship.

No doubt you take a complete credit application; it is also important to secure specific facts about what type of bank reference your customer gives.

"Bank Reference, Please?"

First, be certain that you obtain the full and correct name of the bank or branch. Second, secure the type of account the customer has, i.e., checking, savings, or personal loan. With this information, your credit bureau can go directly to the proper department. It eliminates rechecking and may prevent a "no record" report . . . it permits your credit bureau to make its inquiry in a dignified, business-like manner. It saves time and jangled nerves. Most banks want to be helpful but bank folks dislike dropping their work to chase around trying to find out just what kind of an account your applicant has had.

"And Where Employed?"

As time goes on, with rising living costs, slower collections, etc., more concerns are insisting on current employment verification. Bureaus need to know what position or job an individual has in an organization, if you want prompt employment verification. A statement that, "My husband works for the Santa Fe Railroad," does not give the bureau personnel sufficient information for an intelligent inquiry. Your applicant may be in the maintenance-of-way department; a section-hand; an engineer or conductor or have any other of many railroad jobs.

Picture the confusion that results when the credit bureau calls the timekeeper and asks, "We would like to verify if you employ John Jones?"

While this information is vitally necessary on every local consumer-credit inquiry, it becomes doubly important when you request credit information from an out-of-town credit bureau! If, for instance, you supply your local credit bureau with the information that your credit applicant is employed by the "Monsanto Chemical Company," don't think it is easy for the Credit Bureau of St. Louis to secure the data. Actually, you have given that bureau an almost Herculean task! There are two huge Monsanto plants in the greater St. Louis area —one in St. Louis, and one in Monsanto, Illinois, across the river. Employees live in St. Louis and in East St. Louis, Illinois. The plant in St. Louis is the home office. Your subject might work out of that office—as a salesman in any one of the 48 states or foreign countries; he might be a chemist or a shipping clerk; a common laborer at Monsanto, Illinois; or an executive in the St. Louis office.

We Need the Facts

Too many credit executives and credit bureau personnel have the idea that simply because they are addressing an inquiry to a relatively small town, sketchy employment information is sufficient. Most small towns have one or more large industries.

Then, too, it is important to consider problems of verifying employment in larger cities. While it does not seem necessary to detail the reasons for needing full facts, yet, credit granters seem to expect our bureaus in Seattle, Los Angeles, Minneapolis, New York, Philadelphia, Pittsburgh, Baltimore, Boston, Cleveland, Detroit, and a hundred other large communities to verify employment with meager leads. The same people who decry the furnishing of an inadequate report are often to blame for "inadequate" inquiries.

"A Two-Way Street"

How many times have you picked up a credit bureau report and commented that the employment and financial data "don't tell us anything we don't already know!" Maybe that's true . . . but let's be fair! Did you tell the credit bureau ALL of the facts shown in the credit application? Could you have found out more data from your credit customer?

How you cooperate in doing your part determines our mutual success—yours as an efficient credit executive, and ours in supplying an important service you use. ★★★

CREDIT DEPARTMENT Letters

W. H. BUTTERFIELD

IN THE JUNE, 1948 issue of The CREDIT WORLD, the columns of this department were devoted entirely to questions and answers on letter writing. The favorable reader response to this procedure leads us to follow it again. In addition to the twelve questions discussed last June, here are ten more that we believe will be of general interest to members of the credit profession.

1.

Question: I notice that many firms are using printed cards in their collection follow-up by mail. Is this sound practice? If so, what are its advantages and limitations?

Answer: The use of printed cards (not postcards, but insert cards to be mailed in envelopes) is perfectly permissible in the early—or "reminder"—stage of the collection follow-up procedure.

In this "reminder" stage, all collection pieces are based on the assumption that the customer has merely overlooked payment of his account, and that only a memory jog is necessary to bring payment. Consequently, no appeal (such as pride, fair play, or self-interest) is included in the mailing piece. Thus personalization is much less important in this early stage, and a printed card serves quite well in reminding the reader of his oversight. Its use for this purpose also saves a great deal of time, money, and effort.

But the use of printed card reminders should be confined to the first stage of delinquency. When the collection follow-up reaches the stage of *appeals* for payment, personalization of the message becomes essential, and by far the most effective medium is a letter which appears to have been individually typewritten for the person to whom it is addressed.

2.

Question: I notice that most of the letters shown as model illustrations in The CREDIT WORLD use either the closing *Sincerely yours* or *Cordially yours.* Is it incorrect to use the form *Yours very truly* or *Very truly yours*, which one sees in many business letters?

Answer: Yours very truly and *Very truly yours* are perfectly correct forms for the complimentary close. But they do not carry the warmth of the other two forms which you mention. Consequently, we prefer the use of either *Sincerely yours* or *Cordially yours* in letters designed to develop friendly relations with customers.

3.

Question: If one's name and business title appear in the company letterhead, is it still necessary to have these details typed below the penwritten signature at the bottom of a letter?

Answer: The answer to this question depends on whether any other names appear in the letterhead. If the writer is the only person whose name is shown in the letterhead, the typing of the name and business title below the penwritten signature is unnecessary. But if any other names are listed in the letterhead, the writer's name and business title should be typed below his signature.

4.

Question: Like many credit departments, we get out promotional mailings to customers whose accounts are dormant. Has anyone ever made a study of the causes of "inactive accounts," and are any statistics available?

Answer: Yes. A survey was conducted some time ago, and the following figures are listed as authentic by Jules J. Paglin in *The Reporter Study Course in Direct Mail Advertising,* and by Frieda E. Burger, of The Namm Store, Brooklyn, New York, in The CREDIT WORLD:

Of every 100 persons whose accounts are inactive: 68 have drifted away because of "store indifference" toward them; 14 have stopped buying because of unadjusted grievances; 9 have transferred their patronage to a competitor who offers lower prices or better service; 5 have been influenced by friends to trade elsewhere; 3 have moved, taking their business to more convenient shopping centers; 1 is dead or unaccounted for.

5.

Question: In a recent mailing to a sizable list of customers, we omitted the inside address altogether and used the one-word salutation: *Greetings!* This method saved a lot of time in the preparation of the mailing. What do you think of it?

Answer: If the content of the message was general or impersonal (such as an announcement of a new store policy), this method was justified by the time and money saved in preparing the mailing. But if the subject of the letter was such that a "personal tone" could have been imparted to it, the use of a completely impersonal salutation was not sound economy. A letter of thanks for prompt payment, a letter granting a charge account, or an appeal for payment of a past-due account, for example, would lose much of its effectiveness through an impersonal salutation showing that the letter was a mere form.

The value of a personalized salutation depends largely upon the content of the message. If the letter is obviously a general announcement to all customers of the firm, the form of salutation is not of great importance. But if the letter has personal-message potentialities, by all means greet the reader by name.

6.

Question: March 14, 1948
March 14th, 1948. Which of these forms is preferable in writing the date line?

Answer: Omit the ordinal endings (*st, nd, rd, th*) when you write the date line, and identify the day of the month by figures only. Not only is this considered the correct practice, but it eliminates the unnecessary striking of two typewriter keys each time a date line is written.

7.

Question: Many of the books and articles about writing better letters harp constantly on *brevity*—so much so that it seems to be the all-important feature of a good letter. Can't too much brevity actually become a handicap, causing the writer to use choppy or incomplete sentences and to make his statements too blunt?

Answer: Yes, brevity ceases to be a virtue when it causes other requirements of good letter writing to be sacrificed or impaired. No letter should be incomplete (in sentence structure or informative content), ambiguous, or discourteous merely to allow the saving of words. A letter that lacks completeness or clearness always requires the exchange of supplementary letters, and in the long run this process consumes many more words than the initial letter succeeded in saving.

Conciseness is really a better word than *brevity* when one is defining the qualities of a good letter. Conciseness means the use of the fewest words consistent with clearness, completeness, and courtesy. Like conciseness, these other qualities are also requisites of successful business letters.

8.

Question: Is there any concrete evidence to indicate that the mailing of return envelopes with statements actually helps to stimulate payment of accounts?

Answer: An extensive survey was conducted recently in an effort to answer this question. The investigation is summarized as follows in *The Reporter of Direct Mail Advertising:*

"Most women want all firms sending bills to include a return envelope, according to *Envelope Economies.* Questionnaires were mailed to 31,142 women in 21 cities (24 per cent answered). Results showed: 96.5 per cent prefer return envelopes with bills; 97 per cent said they use return envelopes when sent with bills; 56 per cent claimed to delay mailing checks because out of envelopes; 97.3 per cent appreciate speed and accuracy of envelopes."

9.

Question: (a) What is the correct way for an unmarried woman to sign a business letter? (b) Should the title indicating her marital status appear in both the penwritten and typewritten form, or only in the latter? (c) Is it good form for a woman to omit this title and use initials instead of her first name?

Answer: (a) The business signature of an unmarried woman should indicate her correct personal title, so that the recipient will know he is right in addressing her as *Miss* in the reply. (b) This title, however, should appear only in the typewritten signature line, and it should be enclosed in parentheses. Example of correct form:

Ruth E. Wilkins (penwritten)
(Miss) Ruth E. Wilkins (typewritten)

(c) No, it is poor form and poor taste. Some firms encourage this practice to make readers think they are dealing with a man. But the plan often "backfires" in a way that creates ill will. For example, a customer calls personally at the company offices and asks to see *Mr. Gibbons.* The customer is embarrassed, and probably irritated at the deception, when he finds that the *M. E. Gibbons* he has been addressing as *Mr.* is actually *Mary Elizabeth Gibbons.*

10.

Question: Since it is recommended that the old, timeworn phrases be dropped from business letters, what expressions do you suggest for use instead of such commonly used phrases as *at an early date, enclosed herewith, at the present writing, in the near future,* etc.?

Answer: Each of these outmoded expressions can be replaced by a single word that expresses the same idea just as completely, and far more concisely, as follows:

at an early date	soon
enclosed herewith	enclosed
at the present writing	now
in the near future	soon

Many other equally trite expressions can be eliminated altogether, since they contribute no thought content whatever. Examples:

Trite: *For your information may I say* that your account is now marked "Paid in full."
Concise: Your account is now marked "Paid in full."

★ ★ ★

Trite: *We wish to take this opportunity* to thank you for the first use of your new charge account.
Concise: Thank you for the first use of your new charge account. ★★★

Credit and Collection Procedure

Collecting the Account

THE QUESTIONNAIRE for this month's issue of The CREDIT WORLD relates to the subject of collections. It was sent to 141 retail stores of various types and replies were received from 61 of the stores representing a return of 43.3 per cent. A summary of the replies follows:

1. *What changes have been made in your collection procedure in face of continuing increase in slow paying accounts?*

More intensive collection follow up	45	73.7%
No changes	16	26.3%
Total	61	100.0%

Remarks:

"We are trying to follow up more closely on slowest accounts and are using telephone instead of letters."

"We attempt to dun more frequently and are making a greater number of telephone calls on past-due accounts."

"We are following up delinquent accounts so that they will receive two notices per month instead of one."

"We have added one collection supervisor and revamped our collection letters on a collection basis rather than the previous combination of sales-minded collections."

"We are analyzing, with greater care, the accounts which are more than 90 days old and following them up with personalized form letters individually typed to fit each situation."

"Contract accounts are now followed up every ten days whereas we previously followed them but twice a month. Under our cycle billing on regular accounts, we follow initial collections directly from the tray. When an account is four months past due, a collection record is made to enable us to follow the account closer."

"We have increased our collection staff and are now maintaining a very close collection follow up."

2. *How soon after due date do you start collection follow up?*

3 days	2	3.3%
10 days	10	16.3%
15 days	3	5.0%
30 days	12	19.7%
40 days	5	8.2%
45 days	7	11.5%
60 days	17	27.8%
70 days	2	3.3%
75 days	1	1.6%
90 days	2	3.3%
Total	61	100.0%

Remarks:

"On regular accounts, our collections follow the first bill and with the second bill we enclose a request for payment."

"An account becomes due on the morning of the eleventh day of the month following the sending of the bill. Collection work is begun immediately. There is no probability of failure to do this because analysis of the accounts is continued exactly as it was under Regulation W. When pulling bills, accounts that will become delinquent on the morning of the eleventh are held out and a list made of them. If they are not paid at the close of business on the tenth, collection efforts are immediately begun."

3. *In the initial stages of delinquency do you (A) Telephone. (B) Send printed notices. (C) Use form letters or (D) Write special letters?*

(A) Telephone	16	26.3%
(B) Send printed notices	45	73.6%
(C) Use form letters	25	41.0%
(D) Write special letters	10	16.3%
(E) Telegram	3	5.0%

Remarks:

"We rarely ever telephone. The first collection effort is an analysis on the bottom of which a courteous request for payment is added by the typist. When two of these analyses are sent and no response is received, we send a series of form letters. If, when two or three of these letters which are sent every ten days are mailed and there is still no response, then a special letter, telephone or telegram is used. We have been using the telegram with considerable success."

"We use form letters but we deviate from routine dunning whenever a specialized effort seems warranted."

4. *Are past-due accounts (on the books less than six months) handled in the same manner?*

Yes	54	88.5%
No	7	11.5%
Total	61	100.0%

Remarks:

"Our notices and letters on a new account differ from an account on the books for some time."

"All accounts running under six months are handled in the same manner, although we might refer some to our collection agency before six months, depending entirely on the circumstances."

"After 75 days accumulated delinquency, we telephone and handle the accounts especially."

"If past-due notice does not bring results, we telephone and then send collector."

"New accounts are given closer supervision at the discretion of the collection analyst."

"Specialized collection effort is used earlier in cases of over-limits or when credit history warrants such action."

5. *Do you follow a different procedure on past-due accounts that are in an overbought condition?*

Yes	55	90.1%
No	6	9.9%
Total	61	100.0%

Remarks:

"The customer is called to the office if he continues to use the account, and we try to arrange creditor loan through a local bank. Sometimes a personalized letter obtains the desired results. Sometimes a telephone call to the husband works like magic."

"On past-due accounts that are overbought, a letter is written instead of using the telephone."

"The telephone is used regularly on overbought accounts. In some cases a letter is sent to the customer telling them they have bought in excess of the limit."

"We do not have any accounts that are in an overbought condition. When such a condition exists we adopt the procedure which seems to be most effective at that particular moment."

"We try to spot these accounts in the early stages and make some definite arrangements. The telephone is the best medium for contacting overbought customers."

"We endeavor to arrange budget terms which can be met regularly."

6. *How soon do you close your accounts if payments are not forthcoming?*

No set time	28	46.0%
40 days	1	1.6%
60 days	10	16.4%
70 days	1	1.6%
90 days	10	16.4%
105 days	1	1.6%
120 days	2	3.3%
135 days	1	1.6%
150 days	4	6.6%
180 days	3	4.9%
Total	61	100.0%

7. *When do you report such past-due accounts to your local Credit Bureau?*

No set time (Usually when charged to profit and loss)	34	55.7%
Report only when Bureau makes an inquiry	8	13.2%
Each month	5	8.3%
When 60 days past due	1	1.6%
When 90 days past due	3	4.9%
When 105 days past due	1	1.6%
When 120 days past due	5	8.3%
When 180 days past due	2	3.2%
When 210 days past due	1	1.6%
When 270 days past due	1	1.6%
Total	61	100.0%

Two Comments Regarding Last Month's Summary

THE RESEARCH DIVISION received two letters last month commenting on the summary of replies received on the subject "Opening the Account," published in this department in the October CREDIT WORLD. These letters are included here as we believe they will be of interest to all our members who read this department.

San Diego, Calif.: "The question, 'What change would you recommend to speed up credit bureau service?' was of particular interest to me. The derogatory information file idea is not new, but it has always seemed odd to me that almost no bureaus use any adaptation of this type of file despite the accepted fact that over 95 per cent of the people are honest. The primary purpose of this type of reporting is to speed up service and not to cut the cost of the report, although the cost would be cut from 50 to 75 per cent. It would also decrease the individual credit department costs inasmuch as it would not be necessary for the credit departments to check as many trade slips. I do not advocate a derogatory report for every individual applicant for credit, but believe it would be adequate in at least 50 per cent of the cases. I refer in particular to customers that have been in the city for a number of years and have a good job, position or income. The derogatory file would report any legal or collection items against them. If there are no items in file, I believe it is reasonably safe to extend credit. In case there is derogatory information against them, a complete report should be ordered, as it should be, of course, on all other applicants. The old-time resident with a substantial income will appreciate it when her account is opened immediately. The derogatory report can be returned in 3 or 4 minutes. If such information appears, the customers can be called to the office if they attempt to charge. A discussion of information that they failed to give you can then take place. If this service were inaugurated, the smaller stores that do not order credit reports now because of the cost, could and would order this type of report. This would increase the protection for all because their collection items would also be reported to the bureau, a situation that does not now exist."

Youngstown, Ohio: "For some time we have realized the importance of streamlining the credit application and further than this, we realize that the opening of an account was never what could be called 'customer convenience.' With this in mind, we built an attractive 'Silent Credit Manager,' and placed it in a prominent place on our Main Floor with all writing conveniences and a slot to drop in the application after it had been filled out. It is then received in a drawer which is under lock and key, and the applications are taken out each morning by one of our credit investigators. We installed this desk the end of May, and have been receiving from ten to as high as nineteen applications daily. The most amazing part of this floor service is that the legibility of the application is as good, if not better than our own, and the percentage of approved accounts far exceeds those who regularly apply." ★★★

Collection Scoreboard

Compiled by the Research Division

September, 1948 • • • • • • • • September, 1947

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1948			1947			1948			1947			1948			1947			1948			1947		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Baltimore, Md.	47.1	53.2	42.8	48.8	52.0	46.5	24.5	31.7	19.7	28.9	40.9	21.6	45.0	48.8	41.0	45.8	47.7	43.2	45.0	46.3	43.7	48.2	50.3	46.1
Birmingham, Ala.	54.8	60.0	51.1	52.4	57.6	49.3	25.2	26.0	24.3	34.3	41.4	27.4	48.7	50.0	47.5	51.3	58.8	44.0	54.1	59.2	51.0	56.5	59.8	51.0
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cedar Rapids, Ia.	60.9	61.1	60.7	63.5	66.0	61.0	22.5	25.0	20.1	—	27.1	—	—	86.6	—	—	90.7	—	75.4	78.5	72.3	76.6	82.4	70.8
Cincinnati, Ohio	56.9	63.4	52.2	54.9	60.4	45.2	17.8	25.3	12.7	25.5	31.9	17.9	58.0	61.4	54.7	55.3	60.5	50.2	44.4	55.3	33.6	46.7	60.0	33.5
Cleveland, Ohio	51.2	57.8	49.9	52.9	63.2	44.6	26.7	29.8	19.6	33.7	36.1	31.5	—	50.5	—	—	46.0	—	58.9	93.8	40.2	59.6	85.8	44.6
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Denver, Colo.	49.6	58.9	47.3	54.8	55.8	51.9	25.7	33.1	18.6	33.8	43.6	31.6	49.6	50.2	49.1	54.5	54.6	54.4	—	—	—	—	—	—
Des Moines, Ia.	51.0	50.6	51.4	58.5	60.9	56.2	—	—	—	—	—	—	57.2	70.0	48.0	53.9	65.9	47.0	63.2	69.6	56.7	69.4	71.4	67.5
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kansas City, Mo.	62.0	63.2	60.5	66.3	70.4	63.7	22.0	35.2	18.2	24.1	86.0	23.3	61.1	68.5	50.0	59.0	75.7	48.7	61.1	68.5	50.0	59.0	75.7	48.7
Little Rock, Ark.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Los Angeles, Calif.	—	—	—	59.8	66.5	53.9	—	—	—	31.6	47.0	25.9	—	—	—	—	59.7	—	—	—	—	62.8	85.8	60.7
Louisville, Ky.	50.2	54.4	46.0	51.9	55.4	47.7	19.0	22.0	13.3	23.7	33.2	16.0	45.4	51.7	40.0	47.1	52.3	42.0	51.2	60.9	44.0	56.2	63.8	48.0
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Milwaukee, Wis.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Minneapolis, Minn.	63.2	69.6	57.4	63.7	76.3	56.3	28.2	35.8	25.5	40.1	43.5	35.9	64.2	68.2	60.2	60.7	62.0	59.3	61.7	73.5	53.3	72.8	86.5	66.6
New Orleans, La.	47.8	50.0	45.7	53.4	58.5	48.4	—	—	—	—	—	—	—	43.5	—	—	48.7	—	49.6	50.4	48.7	61.5	62.0	61.0
New York, N. Y.	53.3	66.9	44.2	52.4	68.9	43.8	26.0	28.5	14.6	23.2	41.0	20.0	42.3	45.1	39.4	47.5	48.8	46.1	—	44.2	—	55.7	64.4	46.9
Oakland, Calif.	53.7	57.8	48.4	59.4	64.5	54.2	25.1	27.7	20.8	29.7	45.1	25.7	—	58.9	—	—	52.7	—	54.9	60.3	39.0	62.1	67.5	41.0
Omaha, Neb.	—	56.2	—	—	52.0	—	20.1	25.1	15.1	26.1	45.1	17.1	55.1	64.2	46.1	61.0	63.0	59.0	53.1	55.3	51.0	61.2	63.5	59.0
Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Providence, R. I.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	54.5	55.4	53.3	59.9	61.5	58.5	24.9	28.5	21.3	34.1	40.1	28.0	53.5	66.9	40.4	54.6	55.9	53.4	49.4	55.5	48.0	55.5	58.3	53.6
Salt Lake City, Utah	67.6	74.1	63.5	73.4	80.7	64.8	28.0	31.6	26.1	35.8	41.6	30.0	—	—	—	—	—	—	51.7	53.3	50.2	59.6	64.2	55.0
San Francisco, Calif.	57.5	64.3	41.7	55.5	66.2	47.7	32.8	38.0	28.5	34.5	44.5	29.4	40.0	49.1	37.7	42.0	48.7	40.5	51.6	58.4	48.8	56.1	59.8	47.9
Santa Barbara, Calif.	61.8	67.5	57.0	62.9	76.4	53.9	—	—	—	—	—	—	60.7	74.4	46.2	66.9	79.5	55.0	65.2	70.0	58.1	69.3	77.6	60.5
Sioux City, Ia.	—	—	—	66.2	69.2	63.3	—	—	—	30.7	31.7	29.7	—	—	—	68.5	69.0	68.0	—	—	—	75.0	79.0	71.0
Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Springfield, Mass.	62.0	67.2	56.8	57.4	62.1	52.6	24.0	24.5	23.5	28.3	29.0	27.5	—	63.6	—	—	54.1	—	—	64.2	—	—	62.2	—
Toledo, Ohio	56.2	58.8	49.6	55.4	57.5	47.4	21.0	21.4	15.5	28.0	30.9	25.7	64.6	67.6	61.7	54.0	56.5	51.5	46.2	49.0	43.5	45.1	49.5	40.7
Tulsa, Okla.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Washington, D. C.	48.6	52.3	46.5	48.8	57.1	44.3	23.9	27.3	20.8	26.9	33.2	18.8	—	—	—	—	—	—	—	—	—	—	—	—
Worcester, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Youngstown, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ottawa, Ont.	46.1	60.1	30.6	43.2	51.5	33.3	18.3	22.1	13.9	21.6	32.9	18.4	—	—	—	—	—	—	—	—	—	—	—	—
Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Victoria, B. C.	62.9	71.6	54.3	67.1	69.0	65.2	26.2	26.9	25.9	30.0	34.7	25.3	—	—	—	—	—	—	—	—	—	—	—	—

INSTALMENT ACCOUNTS receivable increased 4 per cent in August, when little change is usual, and continued considerably above the year-ago level. Collections on instalment accounts showed a small increase, but the ratio of collections to instalment accounts outstanding on August 1 was unchanged at 23 per cent. The average collection period for instalment accounts outstanding in August was nearly eight months; a year ago it was about six months. Charge accounts receivable declined slightly in August, but were well above the amount outstanding a year earlier. Collections on charge accounts were down substantially, as is customary in this month, and represented 51 per cent of accounts outstanding on the first of the month. These accounts continued to be liquidated, on the average, in about 59 days. Cash sales of department stores rose 5 per cent in August, and remained near the year-ago level. This type of sale constituted 52 per cent of the total in August, a drop of two percentage points from July. Both instalment and charge-account sales showed about the customary expansion from July to August. Compared with last year's volume, instalment sales were 46 per cent larger, and charge-account sales, 13 per cent.—Federal Reserve Board.

Monthly CREDIT STATISTICS

TOTAL CONSUMER CREDIT at the end of August is estimated at 14,382 million dollars, or about 200 million more than the amount outstanding a month earlier. The increase was attributable to a further expansion in instalment credit, partially offset by a small decline in noninstalment credit. Instalment indebtedness rose 225 million dollars, or 3 per cent, during August. About one-half of this increase was due to the growth in automobile sale credit originating at dealers which reached 1,804 million at the month-end. Instalment loans outstanding rose 2 per cent, about the same rate of gain which these balances have shown in recent months. The total of 3,913 million exceeded the end of August level last year by around 29 per cent. Charge accounts receivable declined slightly in August but at a less rapid rate than in the preceding month. The amount outstanding at the end of the month continued well above the year-ago level.

Ratio of Collections to Accounts Receivable[1]

MONTH	INSTALMENT ACCOUNTS				CHARGE ACCOUNTS
	DEPARTMENT STORES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	DEPARTMENT STORES
1941					
December	20	11	12	23	46
1942					
December	31	18	15	30	65
1943					
December	35	22	22	55	63
1944					
December	36	23	39	49	61
1945					
December	36	24	48	46	61
1946					
December	35	26	47	44	54
1947					
January	29	23	47	26	52
June	28	23	46	24	54
December	29	20	39	31	54
1948					
January	24	18	36	19	53
February	23	17	32	18	49
March	27	19	35	20	53
April	25	19	33	20	52
May	24	19	34	20	52
June	24	20	33	20	52
July	23	18	34	19	51
August	23	18	34	19	51

[1]Ratio of collections during month to accounts receivable at beginning of month.

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOTIVE

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL EXCLUDING AUTOMOTIVE	DEPARTMENT STORES AND MAIL-ORDER HOUSES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	ALL OTHER RETAIL STORES
1941	1,805	469	619	313	120	284
1942	1,012	254	391	130	77	160
1943	641	174	271	29	66	101
1944						
June	515	138	237	15	44	81
1945						
June	532	151	237	11	49	84
1946						
June	699	210	299	17	63	110
1947						
January	985	337	352	27	114	155
June	1,155	423	395	36	119	182
December	1,688	650	528	52	192	266
1948						
January	1,616	632	502	52	176	254
February	1,581	624	492	52	164	249
March	1,619	653	497	54	160	255
April	1,669	680	511	60	155	263
May	1,722	703	528	65	155	271
June	1,764	720	541	68	157	278
July	1,788	732	545	72	157	282
August	1,836	753	560	77	157	289

DEPARTMENT STORE SALES BY TYPE

(Percentage of total sales)

YEAR AND MONTH	CASH SALES	INSTALMENT SALES	CHARGE-ACCOUNT SALES
1941—December	53	6	41
1942—December	61	5	34
1943—December	65	4	31
1944—December	64	4	32
1945—December	64	4	32
1946—December	57	5	38
1947—January	57	6	37
June	55	6	39
December	54	7	39
1948—January	54	7	39
February	53	7	40
March	52	7	41
April	51	8	41
May	52	7	41
June	52	7	41
July	54	8	38
August	52	9	39

TOTAL CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL CONSUMER CREDIT	TOTAL INSTALMENT CREDIT	INSTALMENT CREDIT				SINGLE-PAYMENT LOANS	CHARGE ACCOUNTS	SERVICE CREDIT
			SALES CREDIT			LOANS			
			TOTAL	AUTOMOTIVE	OTHER				
1941	9,899	5,924	3,744	1,942	1,802	2,180	1,601	1,764	610
1942	6,485	2,955	1,491	482	1,009	1,464	1,369	1,513	648
1943	5,338	1,961	814	175	639	1,147	1,192	1,498	687
1944									
June	5,168	1,840	706	192	514	1,134	1,242	1,370	716
1945									
June	5,697	1,987	719	188	531	1,268	1,420	1,544	746
1946									
June	7,762	2,908	1,035	336	699	1,873	1,697	2,327	830
1947									
January	9,783	4,061	1,566	581	985	2,495	2,089	2,764	869
June	10,992	4,918	2,035	880	1,155	2,883	2,271	2,887	916
December	13,385	6,156	2,839	1,151	1,688	3,317	2,607	3,612	920
1948									
January	13,058	6,186	2,818	1,202	1,616	3,368	2,708	3,240	924
February	12,945	6,249	2,835	1,254	1,581	3,414	2,701	3,067	928
March	13,391	6,498	2,986	1,367	1,619	3,512	2,686	3,281	926
April	13,627	6,769	3,137	1,468	1,699	3,632	2,665	3,259	934
May	13,814	6,958	3,258	1,536	1,722	3,700	2,661	3,263	932
June	14,132	7,144	3,366	1,602	1,764	3,778	2,679	3,364	945
July	14,185	7,328	3,477	1,689	1,788	3,851	2,698	3,202	957
August	14,382	7,553	3,640	1,804	1,836	3,913	2,717	3,148	964

Granting Credit in Canada

C. B. FLEMINGTON . . Canadian Correspondent

Consumer Credit—What Is It, and Why?

E. KINGSLEY EVANS, *Credit Manager,* F. C. Burroughes Furniture Co. Ltd., Toronto, Ont.

BUSINESS HAS ALWAYS been governed by the law of supply and demand which has in turn been determined by the state of our national economy. One cycle after another crop up in our life; first it's inflation and good business, and then it turns around to deflation or depression and this tends to keep all businesses on their toes to maintain an even keel.

The relationship between manufacturer and retailer has usually been on a most amicable basis, trusting one another to supply goods on the one hand and to sell them to the consumer at a reasonable profit on the other, one relying on the other for full support so that both can succeed to the mutual satisfaction of each other.

This mutual trust has been going on for some centuries now and has taken this old world of ours over some very roughshod times into an era of happiness—for all who are interested enough to get their shoulders behind the wheel. It has been proven that no one nation or community can live unto itself and likewise manufacturing and retailing are unable to exist without the full support of each other.

This existence has always been governed by the medium of exchange in use at the time and the degree of success has always been determined by the holdings of that exchange by the persons concerned. It has always held true that sooner or later in any age, exchange has passed from the hands of many into the hands of a few. This situation has always had to be rectified by altering the medium from one thing to another.

A man's wealth over a period of many years has been measured by the number of wives he had, his land, his cash or his over-all assets. In the olden days if he wanted to barter, one of his wives became the medium of exchange for a business transaction, or it could have been one of his many farms, or by dollars and cents, or the amount which he was worth, taking into consideration all three. Young and good-looking wives were more useful in barter than older ones, just as today, when we say that the color of a man's money talks.

If a business deal could not be closed at once through lack of exchange, time was given the buyer to raise the necessary amount. Trusting of one another to close a deal was born and failure to close by a certain time called for penalties. Credit which springs from the Latin word "Credere" meaning, to trust, came into its own as a medium of exchange for goods or services for a promise to pay at a later date.

Lack of cash did not deter a businessman from buying, he merely changed his exchange system to something of which he had plenty. This method of doing business stimulated sales to the point where retailers adopted this practice when dealing with their consumers. This type of exchange system has been enlarged upon over the years until today, we have what is known as consumer credit. It has grown to such proportions that governments during the past war, imposed controls, in order to curb buying by this method. It has proven its usefulness by turning bad times to good and in its own way, helping to maintain a balanced economy.

Lack of cash does not bar a consumer from buying, he or she can use his credit to his advantage. People can buy and use merchandise today, before it is fully paid for, due to the fact that someone will trust them. This trust or what is commonly known as credit, means in many cases the difference between prosperity and bankruptcy, the difference between being a small business man and an industrial giant. It means the employment of many instead of a few from a manufacturer of raw materials, right through to the final distributor of goods to the public.

Where would businesses be today without it? Probably at the same level of trading that was considered good years ago, but which, in this fast changing age is felt to be small. The strange part of this credit story is that it is affecting more and more businesses every day. There are very few pieces of merchandise or very few services which are not sold on this basis. We can be brought into this world on a credit plan and taken out of it the same way and in addition, our life between entrance and exit can be governed solely on a trust or credit plan.

The layette for the newborn, the clothes we wear, the food we eat as we grow up, the replacing of our teeth when we grow older, the pleasures we have during our lifetime, our sicknesses and our health and then the services used on our last day on this earth can all be had by using our credit. Progress over the years by ourselves, our city, our country, has been and is determined by the extent of the credit made available to us. Anything which can improve the lot of the common man deserves a top place in our business life. Credit can and does relieve distress and suffering by making available goods and services now instead of waiting for that far-off day when we may have the cash to pay for it in one lump sum. A credit house stands out as a beacon of service to the community and deserves just as high a pinnacle as any of our welfare or service organizations.

Any business house which advertizes the fact that you can buy without the full amount to be paid at once is letting others know that they want to help, they want to be of service, they are willing to trust others. This does more to maintain our Canadian way of life than by ad-

vertizing the fact that if you can't pay for an article at once, you can't have it.

What is consumer credit? It is the balance wheel in our economy, maintaining order between production and selling, helping to keep our standard of living at a reasonable level at all times. It is the difference for many, between living and just existing and any one thing that can make that difference is of great benefit. Times are changing, money is tightening up according to statistics and if such is the case, a far greater percentage of our annual business will be done on a credit basis, therefore the credit workers will have their chance again to rise to their rightful place in the business life of our nation.

Why do firms employ credit granters? In days gone by owners of businesses knew all their customers, their paying habits etc., and goods were given out on their O.K. because the owners were doing it on a small scale. They soon found out that granting of credit required a highly trained person to do the job successfully and that is when the credit granter was born.

Since that time men and women from every walk of life have entered this field, drawn to it by the wide scope of business and human relations this work affords. All sides of life are known to the credit granter who has been trained properly, giving him or her a decided advantage over other forms of occupation so that today credit granters are much sought after to take over executive positions of a higher nature. This has come to pass because the successful credit manager has at all times, kept in mind certain fundamental rules, which guide him.

Why is the Credit Granter so important? Merely because he is the watchdog of every business, the public relations man, the intermediary in all disputes. He is the representative of the consumer on every board of management and the public are guided by his decisions. The credit worker does more than almost anyone else to sell his firm to the store's consumers and the measure of success attained by businesses today is determined by the people working in the credit and collection offices.

Courtesy, Care and Common Sense

If we as credit granters keep in mind what is known as a safety slogan, Courtesy, Care and Common Sense, and practice them as our credit fundamental rules, we shall be of inestimable value, both to our employers and our customers. Courtesy costs nothing and yet can play a most important part to stimulate sales, promote goodwill and spread the gospel far and wide about the advantages of dealing at one particular store. It can spread just like a forest fire until the first thing you know everyone is talking about it. Lack of courtesy can be just as devastating in breaking down our goodwill faster than we can build it up.

Then here is where you and I can play our big part. Let's get out of the right side of the bed in the morning so that we can start the day right. Greet our fellow workers and our customers with a cheery "Good Morning" and follow this up with a great big smile and half our courtesy battle is won. This will impress our customers, they will tell their friends who will beat a path to our door because that is the type of establishment they want to do business with.

Follow this through the rest of the day, do not make customers wait until we feel like waiting on them, don't make them feel that we are doing them a favour by granting credit to them, let's show them that we are honoured by them coming to our store and favouring us with their patronage. If we look after their every need efficiently and promptly, there will be no necessity for us to wonder later on why they have not re-opened their account.

Just as boys start a snowball down a hill until when it reaches the bottom it has grown in size, and weight, so can we help ourselves expand the business we do day by day, by showing courtesy at all times. Many employers consider their business only as strong as the courtesy shown by their employees and have seen fit to expound upon it by the installation of employee training departments. This then is one of the most important items in extending consumer credit, courtesy at all times, prompt and efficient service by ourselves to ensure the return of our customers when they again are ready to buy.

Rule two is care, both from the viewpoint of our employer and our customers. Our employers have installed us to look after their interests and so we must have their views in mind always. We are dispensing his merchandise, and therefore we must be assured of good contracts. This of course can only be attained by full use of the tools placed at our disposal. Credit applications, deposits, terms, Credit Bureau reports must be weighed and analyzed to ensure our employer that his interests are being taken care of. Likewise we must have the viewpoints of our customers. They come to us first, because they know we are a good firm to do business with and secondly because their interests are ours, and thirdly because we are human and they will be treated accordingly.

Care must be taken to see that we have a good contract and one that will be carried to its conclusion. Care must be taken to see that our customers do not overbuy or burden themselves with too great a contract. Care must be taken that all contracts are within the means of their surplus spending power. How many times have we only looked at an order solely on the amount of it in comparison to their weekly wages, overlooking the fact that their salaries have already been pledged to their utmost.

If care is taken in its broadest sense and applied to credit granting, fewer will be the headaches deriving from our passing of credit to those who buy and intend to pay but are prevented by their previous commitments. Better for us to prevent than to look for a cure later on and this, if explained properly, will be appreciated by our customers who have placed their spending power with us.

Common sense is the third golden rule which if applied properly will enhance the reputation of our firm and ourselves as well being business people who have a heart. We must, of necessity, apply psychology and determine amongst our clients, those who will or intend to pay and those who will not. It is our prerogative, as our employer's human relations department, to say thumbs up or thumbs down but before either signal is given common sense must be applied to each individual problem.

There are no set rules, what applies to one does not apply to the other and therefore every effort must be expended to learn the truth so that a true and right decision can be given. You are the judge and jury, the "yes man" to carry on an account or the "no man" to

(Turn to "Consumer Credit," page 31.)

• Fall Business Spotty But Average Holds Well Above Last Year •

BUSINESS VOLUME has held relatively stable so far this fall, although variations among different lines of business and in different sections of the country have been more marked than in recent months. Some businesses have been lagging while others are continuing to forge ahead quite rapidly. The total volume of business as measured by financial transactions is about 10 per cent higher than last year but in a few communities and in some industries it is lower than it was a year ago. As the price level is higher the physical quantities of goods have probably increased very little but the total amounts are very large as compared with previous periods.

SOME SHIFTS have taken place in the LaSalle Map during recent weeks. One of the most striking is the lagging in a considerable part of the agricultural region of the Middle West. Declining farm prices, especially those of grains, have evidently deterred buying until farmers can ascertain whether or not the exceptionally large crops to be harvested will offset the reduction in price sufficiently to keep total farm income up.

ANOTHER SIGNIFICANT area of lagging business is New England and the New York city region. Even here, however, the falling off has not been uniform, for in quite a number of the smaller and medium-sized cities business activity is well above the national average. The slowing down has been greatest in New York and Boston. The trends in this section of the country are about the same as they have been throughout most of this year.

THE LARGEST AREAS of very good business are in the Southwest, in the Pacific Northwest, and in much of the Great Lakes region. High rates of production in the steel industry as well as in the factories making heavy machinery and equipment account for the good conditions in many industrial regions. In the Southwest, the record production of oil and the high prices for livestock have helped maintain business volume. These conditions are likely to prevail for some time and the trend may be upward throughout the remainder of this year.

ALONG THE Pacific Coast the contrast between the southern part and northern has become more marked. In the south, business volume has fallen below the national average, while in the north, it has not only been maintained at above the average but also has been rising strikingly in recent weeks. Indications are that these trends will continue throughout the remainder of the year and possibly longer.

TRADE AND INDUSTRY in Canada have recently been rising again after a lull during the latter part of the summer. Factory output has been increasing, in spite of interruptions in some industries and shortages of important raw materials. Agricultural conditions are fairly good and current reports indicate that major crops may be even better than was expected. Farm output will total larger than last year. The general outlook for the next few months is quite favorable with the best areas in the far west and in the territory north of the Great Lakes. Demand for goods continues to be strong.—BUSINESS BULLETIN, La Salle Extension University, Chicago, Ill.

In The NEWS

THE COST OF HOUSING and household utilities is the second largest item in the consumer's budget, says a Twentieth Century Fund report. Only less important than food, it accounts for almost a fifth of total consumption expenditures in the United States.

★ ★ ★

IN THE PERIOD between 1920 and 1940, American travelers spent more than $8 billion in foreign nations. Last year, we spent approximately $690 million for foreign travel.

★ ★ ★

AN AMENDMENT to Regulation W to give the purchaser a week's free trial is being proposed to the Federal Reserve Board by the National Electrical Retailers Association.

★ ★ ★

A CHECKLIST of 67 studies providing information on advances in office, financial and insurance management for business executives has been prepared by the American Management Association. The list is free on request to the association at 330 West Forty-Second St., New York 18, N. Y.

★ ★ ★

RETAILERS ARE AGAIN warned that the holiday season is the picnic season for forgers and counterfeiters. It is not that they need the money for presents, but because the crowds and inexperienced help make phony money and checks easier to pass.

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IN 1939 the average American house and lot cost only $4,599.00. Now it costs $11,094.00.

★ ★ ★

INSTALMENT ACCOUNTS receivable in furniture stores for August were 2 per cent larger than at the end of July, and about one and one-half times the year-ago level. Collections on instalment accounts during August showed little change from a month earlier, and amounted to 18 per cent of accounts outstanding on August 1, the same ratio as for July. The average repayment period for these accounts, as indicated by August collections, was again ten months.

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THE POPULATION for the United States rose from 131,669,275 in 1940 to an estimated 146,114,000 in July 1, 1948. The Bureau of the Census said 41 states and the District of Columbia increased in population in the 1940-1948 period, while only seven states lost people. They are, North Dakota, Montana, South Dakota, Nebraska, Kentucky, Arkansas and Mississippi.

BREADWINNERS MADE money faster in August than ever before, the Department of Commerce has reported. The department's Office of Business Economics estimated the August personal income rate at $215 billion a year—$2 billion higher than July's previous all-time record rate.

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BY THE END of August consumer instalment loans outstanding at the principal types of lenders were an estimated 3,125 million dollars, reflecting a gain during the month of 2 per cent. The total amount outstanding exceeded the level at the end of August 1947 by 28 per cent.

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THE OCTOBER 1948 issue of Coronet magazine carries an excellent article on "Want to Buy on Credit?" Reference is made to the work of the National Retail Credit Association and the Associated Credit Bureaus of America.

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ALTHOUGH LIVING COSTS are now increasing faster than the average of the past nine years, the purchasing power of the average family is still greater than it was a year ago, according to the monthly survey conducted by Investors Syndicate. Since 1939, the survey reports, living costs have increased an average of 6 per cent each year over the previous year. Today costs are 10 per cent higher than a year ago. However, average family income is up 12 per cent from last year, leaving the average family approximately 2 per cent better off.

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ACCORDING TO a Twentieth Century Fund report, an estimated 90 per cent of the total business of manufacturers and wholesalers in the United States before the war was done on credit and at least 33 per cent of retail sales were charge accounts or installment purchases.

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WHILE OVER-ALL employment figures continue to show steady gains, quite a few specific lines show declines from a year ago. A report from the Department of Commerce says 65 out of 154 classifications of manufacturing are down from May, 1947.

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STUDENTS OF THE Wharton School of Finance and Commerce of the University of Pennsylvania took over the operation of one of Philadelphia's largest department stores recently. About 125 students filled a variety of jobs including that of general manager. The regular employes, however, were on hand to help supervise the day's activities.

"Consumer Credit"

(Beginning on Page 28)

say final to it, but with due consideration and logic applied to the problem at hand, decisions should be handed down, fair to both your firm and your customers. Compensation, for our errors, can be had by admitting them and striving not to make the same mistake twice and for our correct decisions by knowing that our job has been done well.

Consumer credit is the very lifeblood of business today, in which we play a most important part, carrying our employers over the rocky road of poor times to the greener days ahead, balancing the business world today so that we can carry on tomorrow, a sacred trust placed in us by our employers as a medium of business relations between the companies we represent and our customers. It can mean failure or success as we decide—let us make it a success. Why are we so important to our employer? We are his sole representative on the board of human relations, made up of his customers, his voice against all others, doing as he would want us to do.

By applying these three golden rules of Consumer Credit, Courtesy, Care and Common Sense in their right manner we will overcome all obstacles and obtain for our employers their true share of the golden business now available. Do not forget that our ills are also our employers and in order to prescribe the cure, strict application of these three will be necessary. The Credit Granter's slogan for now and always should be *Courtesy, Care and Common Sense.* ★★★

Will You Help?

THE SUCCESS of an organization is centered in its leaders and in the enthusiasm of its members. The quest for new members must be a continuous campaign to achieve the plans of these leaders for progress.

The National Retail Credit Association, in President Dean Ashby, General Manager-Treasurer L. S. Crowder, and a prominent Board of Directors, has the leadership. With more than 24,000 members, it is an international organization, second to none in the field of retail credit.

Yet, this is not enough.

To allow its roster to lie dormant, without the everlasting quest for additional members, would be disastrous and expensive. We must proceed forward.

This year the goal is set for 26,500 members. This means over 2,000 must be signed on the line by next May. It can be done!

By committees working under the leadership of each District President, the State and Local Chairmen are in action. Reports are already coming in.

The many benefits derived from membership in the N.R.C.A. are well known to all members. And, you are the ones to enlist more newcomers until we have passed the 26,500 mark.

Remember this fact! With all of the increases in every conceivable line of business, living, and social activities, the dues in the National Retail Credit Association are still only $5.00 per year. Your cooperation in the achievement of our goal will be appreciated.

Earl Higgins

GENERAL MEMBERSHIP CHAIRMAN

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